
How to bring your code of conduct to life

Simply having a code of conduct doesn't guarantee that employees will comply with it, or even that they will understand the issues driving it. So how can an organization turn its code of conduct into a relevant, engaging guide that inspires a workforce toward principled behavior? What type of content and language can win over pessimistic or cynical workers who view such a code as unnecessary, restrictive or even irrelevant? What techniques can help ensure that a company's code becomes a valuable living document that actively inspires employees, rather than one stuffed away in a file to be rarely, if ever, viewed?

Leading companies have found answers to such questions in developing engaging codes of conduct that play a critical role in forging corporate cultures of accountability and responsibility. Here are the five key elements:

Emphasize values, supported by rules, in creating your code.

Writing a code of conduct is often approached as creating a document to spell out the rules the company wants its employees to follow. However, rule-based codes tend not to inspire employees, who may even look for ways to circumvent them. More important, writing codes based on rules invariably leaves gaps in guidance, because it is impossible to create a rule for every circumstance. A rule-based code can never completely cover every situation or decision an employee might face.

For this reason, a shift is emerging to emphasize values first, ahead of rules, in codes of conduct. Values such as honesty, integrity, respect, fairness, truthfulness

and responsibility are broader, more universally applicable and more inspiring than rules. Values fill the gaps between rules and guide employees who are navigating situations in which the rules are unclear or even contradictory about what to do. Values help make the code apply as much in Timbuktu as it does in Twin Falls, because people everywhere can understand and connect with values even when local rules or laws differ.

Values also inspire employees with a feeling of belonging, ownership and identity. By instilling their codes of conduct with values, companies offer employees a shared set of principles and beliefs to uphold and protect as their own.

Overall, a powerful code of conduct based on values helps lay the foundation for an ethical culture that is embraced by everyone – not only employees, but also suppliers, contractors and other stakeholders. Such a code draws its potency from a clear vision of the company’s purpose and goals and a shared understanding of expected behavior.

Employees are far more dispersed today, operating in the field, at home, on the road and overseas. They are more likely to find themselves in ethically challenging situations without a supervisor nearby to consult. People stationed in different countries and cultures may have special difficulty reconciling local laws to their company’s policies. Cultural differences can lead to confusion about which business decision or behavior is the right one. Consider the matter of offering and receiving gifts. What is expected and appropriate in one culture might be taboo in another. Executives also recognize that work cultures vary around the globe, and that a seemingly virtuous rule in one country may be overly burdensome in another. An effective code thus helps far-flung employees do the right thing by focusing on values and principles that inspire universally and apply locally.

This is not to suggest that codes of conduct should not articulate the fundamental rules a company wants their workforce to uphold. Michael Hoffman, executive director of the Center for Business Ethics at Bentley College in Boston, points out that values and rules are not an either/or proposition. Rather, he says, they’re completely interdependent. This view is equally affirmed by former

Northrop Grumman Chief Ethics Officer Frank Daly, now with Markkula Center for Applied Ethics at Santa Clara University, who observed that, “Rules and values are ethical allies.”¹ On one hand, the values help support a company’s ethical culture, which sets the tone throughout the workplace. On the other hand, the rules, which are effectively compliance elements, protect the company and its employees from specific wrongdoing, legal exposure and regulatory sanctions.

Educate employees about the code to make it relevant and real.

Companies successful at promoting their vision don’t stop at writing their code of conduct and asking their employees simply to read and sign it. Instead, they educate employees about their code through a well-designed and compelling set of educational courses that brings the code to life.

While there are a variety of ways to educate employees, interactive online courses are a proven way to enlighten and engage the people who make day-to-day decisions on behalf of the company. Written clearly, concisely and with authenticity, online courses are available 24x7, worldwide, and they elicit buy-in from the people who take them. In writing the courses, it’s important to respect employees’ intelligence and time. Be direct, avoiding a paternalistic tone and language that sounds forbidding or legalistic. Seek a tone that is honest and credible.

The best code courses make the case that everyone in the organization has a personal reason to internalize the code’s contents and the values behind them. For this reason, courses may begin with a personal message from the CEO,

which sets the tone from the top and sends the signal that doing the right thing trumps everything else. Good courses also make it clear that all senior executives – and even the board of directors – are taking the same course and are expected to follow the same rules and principles as everyone else.

Another factor that brings courses to life is their interactive nature. For example, some code courses offer a variety of situations in which people might break rules without knowing it, and the learner is then asked to participate in identifying the problematic behavior. This helps the user learn how to spot a rule that people may misunderstand and frequently misapply in their conduct, and in this nonthreatening and nonconfrontational way, learners themselves become more sensitized to seeing this conduct in themselves.

In global companies, the best courses also translate the code – literally and figuratively – into tangible, tactical and locally relevant examples that interpret and illustrate the ideas. These courses include plenty of company-specific as well as country-specific scenarios.

Reinforce the code, within and beyond the organization.

Smart companies also do more than just educate employees and peers about the code. They continually reinforce its values in as many ways and through as many channels as possible. For example, they may bring the code to life through such reminders as screen savers, periodic e-mail campaigns, team-building exercises, answers to frequently asked questions, quizzes on thorny issues, facilitated information sessions, entertaining videos

that deal with actual workplace scenarios, lunch-and-learn workshops and regular messages from senior executives. All of these offer employees a deeper, more engaging experience with the company's core values and might be done monthly, quarterly or semiannually depending on the type of reminder.

Another approach is to assign a key section of the code, such as travel and expenses or entertainment and gifts, to each business unit and then ask employees in that unit to research the subject and present findings and lessons learned to others in the unit.

It's important to make your code visible – to employees, vendors, contractors, recruits, regulators, community organizations, the nonprofit groups your organization supports and visitors to company sites. For example, be sure to place a link to your code on key pages of your website, such as those devoted to recruiting and career information. In addition, many companies publicize key metrics, such as the percentage of employees who have completed education courses or trend lines showing reductions in reported code violations.

Encourage employees to become active participants in upholding the code and its values.

After providing education about the code and reinforcing its importance, companies can invite employees to become active participants in applying and living the code by offering means to certify or attest to understanding it and to report misconduct or ask questions about the code.

Leading companies encourage employees to confirm their commitment to the values and rules of the code through a certification. In the case of codes of

conduct, certification may occur once an employee receives the code, has read it, and/or has taken an educational course tied to it. In some companies, the certification process occurs manually by asking employees to sign a document attesting to having read the code and agreeing to its principles and policies. In other companies, the certification is completed through an online application that automates the process of collecting attestations. Some certification applications may also keep track of individual course completions and any tests offered to confirm understanding of the code. Many companies also ask all employees to annually review the code of conduct and recertify their understanding.

Another way to encourage participation is by offering mechanisms for employees to report misconduct or ask questions about ethical situations they face. Such mechanisms include telephonic and web-based helplines and open-door policies. In some companies, once employees complete education on the code of conduct and/or read it and sign it, they are encouraged to demonstrate their accountability to its standards by using the reporting mechanisms to ask questions, clarify areas of the code they do not understand and report misconduct.

Companies often experience more calls to their helplines whenever they educate employees on code topics or perform an annual certification campaign. This evidence bolsters the importance of asking employees to annually renew their agreement to the code because it indicates that employees reconnect with the values of the code each time they must recertify and are more motivated to report violations.

Gather feedback, measure effectiveness and continually improve the code of conduct.

Building an ethical culture is a continuing process that ultimately aims to foster a state of self-governance in which employees voluntarily follow company values and rules, monitor themselves for abuses and violations and play an active role in resolving issues. In this context, leading companies treat their code of conduct as a living document and continually gather feedback, measure effectiveness and occasionally refresh it to ensure that it achieves the greatest impact and remains current.

One way to obtain feedback about the effectiveness of the code is by performing a thorough analysis of helpline data. Such an analysis might include the number of reports made over a certain period, the types of questions employees asked when making their reports, the nature of the violations reported and the business unit in which the violations occur. This information can be highly revealing about the impact of the code on the workforce. For example, repetitive calls to the company helpline concerning conflicts of interest issues may reveal a gap in code education, or an area that may benefit from further reinforcement.

It is important to supplement efforts to assess the code's effectiveness with feedback that sheds light on the company's culture. One tool that can help assess the culture more broadly is an employee survey that aims to gather data about how employees perceive the company's culture. The survey asks employees to answer attitudinal questions about their understanding of the code, how they view its effectiveness and implementation in the company, their willingness to abide by it and their knowledge of how to apply its values to their jobs.

A third way to obtain feedback and measure the effectiveness of the code is to perform a comprehensive “cultural assessment” of the organization. This effort is more extensive than employee surveys because it reaches every level of the organization including management, leadership and even the board of directors and takes a deeper dive into how the company functions in terms of decision-making, information handling, authority, trust, reward systems, penalties and numerous other dimensions of culture. The end result of a cultural assessment is a detailed picture of how the company’s culture affects, and is affected by, every person who interacts with it. From this picture, the organization can determine with greater clarity whether its code of conduct is supporting progress toward a culture of ethical values.

Ultimately, the feedback and measurement obtained through these initiatives helps a company reevaluate its code of conduct and make decisions to strengthen it, enhance it or update it according to the company’s changing business needs. In this way, the code of conduct becomes a living, breathing document that evolves over time to keep pace with the company’s growth and to continually fuel its success.

Ethics and compliance education, including an online code of conduct course, can serve as a powerful way to engage a workforce and ultimately help foster and fortify a winning corporate culture. A code of conduct is most effective when fully integrated with other foundational program elements designed to engage the workforce in ethics and compliance, including education, certification and a helpline.

1. Frances J. Daly, “Rules and Values are Ethical Allies,” CBE News, Vol. 2, Issue 2, Summer 1998.



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