A Question of Ethics

How Can Organizations Reinforce Understanding of Their Ethics Codes?

Codes of ethics have been in existence from the earliest of times. And since the earliest times, there has always been a battle of good versus evil, right versus wrong, moral versus immoral.

The Old Testament detailed a set of basic shalls and shall nots with respect to relationships between people [Exodus, 20:2-17; Deuteronomy, 5:6-21]. Perhaps the most detailed code aimed at bringing about righteousness, destruction of the wicked, protection of the weak against the strong and enlightenment of mankind was developed in Babylonia in the 1700s B.C. [The Hammarabi Code]. One of our founding fathers, George Washington, at the age of 16 wrote his 110 Rules of Civility, based on a set of rules composed by the French Jesuits.

In modern times, codes of professional conduct and ethics have been developed by many companies, associations and professional groups.

A Statement of Values
In defining themselves, businesses and associations must make a statement as to exactly what their values are. Many of the values stated may appear to be obvious — such as equitable and fair treatment of all. Value statements such as these, however, are of utmost importance to establishing the mission and purpose of an organization.

Value statements are reminders that sticking to the basics is a simple but proven way to stay on the right course. A statement of values also alerts new members to the group’s ideals. Further, it signals to those outside the group the values that the group deems important.

From the Top Down
Codes of ethical conduct are value statements made by an organization that reflect its culture and professionalism. Words alone, however, will not move members of a group to hold the course. Actions by the leaders of an organization are key to ensuring that the statement of values is more than mere words. If the president of a company believes in placing others above himself, maintaining dignified and honorable relationships and acting in a charitable fashion, this will set the tone for those working for him or her.

A misstep by a corporate executive can cause the outside world to question an organization’s values, impact business relationships and undermine employee motivation and morale. The need to have leaders with the right values is critical for an organization to thrive.

Importance of Ethics Training
Organization-sponsored ethics training on a regular basis is key to ensuring that members understand and adhere to the organization’s statement of values.

A senior executive-level person should take charge of the ethics program. Offering a good program will allow difficult cases, some presented by members of the organization and others from outside consultants, to be discussed. For example, my law firm requires eight hours of ethics training per year. It runs two-hour courses on a quarterly basis with outside speakers and consultants. The firm’s general counsel is responsible for the program and ensures that each employee, including the president, complies with the requirement.

The Society
The CPCU Society follows the above guidelines. It has its Ethics Code, Ethics Awareness Month chapter programs and ethics Web site offerings among available tools. Members continually renew the CPCU Professional Commitment, which is extremely effective in reinforcing the Society’s statement of values.

Conclusion
Reinforcement of codes of ethics keeps their importance at the top of an organization’s goals for success. Few can likely state many of Washington’s 101 Rules of Civility. “Associate yourself with [people] of good quality if you esteem your own reputation; for ‘tis better to be alone than in bad company” is one.

Many of these rules, and the ones established by organizations, warrant frequent publication as reminders of the levels for which to strive. Those who adhere to their organization’s rules of ethics uphold the best associations.

Editor’s note: The opinions expressed in this column are those of the author and do not necessarily reflect the views of the CPCU Society membership, the Society’s Ethics Committee or the author’s employer. If you have suggestions for upcoming articles or comments about the “Question of Ethics” column, please contact William F. Traester, CPCU, at wtraester@archinsurance.com.