

Flowchart: how to develop and consistently embed codes

Developing a code

Don't wait for something to go seriously wrong before your organisation develops a code. The existence of a code may help the treatment of complaints to regulators or third parties. Governments are increasingly requiring organisations to demonstrate an active code under governance regulations.

- **Content:** use focus groups to engage critical friends and stakeholders, internally and externally, to ensure that the final product is accessible and meaningful to all of the workforce and customers.

Get leadership buy-in.

An aspirational code will receive more buy-in from the workforce than one based on meeting compliance and legal requirements. Consider this in the tone that is used and avoid a document that appears legalistic. Also consider that a rules-based approach will need 'policing', which needs resource. Where a rules approach or a 'dos-and-don'ts approach' is taken, loopholes will be found.

Using a more practical name, such as 'The Automotives UK Way of Doing Business', rather than a generic title, reinforces the organisation's commitment to the code. Decouple ethics from compliance in order to win the hearts and minds of the workforce.

Avoid jargon and remember that the code should be understood by all stakeholder groups, internally and externally. Do not fall back on legalese and generalisations.

- **Length:** the right balance between general principles and more practical guidance should be struck. It is important to recognise that it is impossible to codify all possible scenarios the workforce will experience but that supporting materials for the code can be used to convey case studies and develop ethical sensitivity. The code should not be seen as another set of rules.
- **Supporting materials and resources:** the code should not be intended to be a stand-alone document. Develop case studies and ethical dilemmas and use them in induction and training programmes. Train all the workforce and, in particular, line managers, and be very clear about what ethical practice looks like.



Launching the code

- Give the workforce a hard and soft copy of the code. Request confirmation of receipt in a form that also asks them to commit to reporting any unethical conduct or concerns.
- Ask line managers to confirm that they have discussed the code with their teams.
- Incorporate adherence to the code in the terms and conditions of employment and/or employee job descriptions and recruitment information.
- Consider requiring all contractors, temporary workers and business partners to adhere to and uphold the code.
- Launch the code with an event or series of events, supported by a comprehensive communication strategy.
- Include a training session in inductions for new starters



Active implementation

- Establish monitoring protocol and measures to track adherence to the code. Agree a cyclical process for reviewing measures, identifying negative or positive patterns and what action will be taken.
- Ensure that the workforce is aware of the consequences of not upholding the code for themselves individually, but also for the organisation. Take transparent action for infractions/breaches regardless of whether the individual is a top performer and/or a manager or leader. Ensure that sanctions are proportionate – if any are to be considered – and recognise that most ethical breaches are unintentional.
- Use people management interventions to tackle any occurrences of unethical behaviour and to understand the causes. Be mindful of eroding trust in the administration when it comes to the code, and address areas where there is inactive support of the code.
- Identify a code-responsible member of the board and/or leadership team who will monitor the implementation and effectiveness of the code as well as support the creation of solutions to implement the code into working practices. This may be supported by auditing of compliance with ethical expectations and should include reviewing the reasons for events and issues.
- Establish a panel of stakeholders from a cross-section of customers and the workforce to review the code periodically and reflect the risks that the organisation faces, including any ethical blind spots. Cross-reference customer complaints and feedback from the workforce, suppliers and stakeholders. Periodically agree areas to target.



Supporting the code

- Do decision-making frameworks, policies and processes of the organisation reflect the expectations set out in the code?
- The workforce needs to know where to turn for more guidance when needed. Appoint ambassadors or champions of the code from the workforce (as they may be able to better relate to the workforce).
- Hold an annual Code of Ethics day and provide regular training on the code rather than one-off exercises.
- Have positive incentives (as well as sanctions for non-compliance) to confirm the organisation's commitment to a code.
- Include engagement with – and understanding of – the code as a key criterion in performance appraisals, and consider introducing awards and/or recognition for exemplary ethical conduct or ethical courage – perhaps nominated by the workforce. For example, a standard question that the workforce has to answer periodically could be, 'how have you upheld the code recently?'
- Use the code as a tool to foster an ethical culture (rather than as a compliance approach) by providing soft-skill training opportunities, such as emotional regulation and neuroscience.
- Ensure actions and decisions from leadership and management reflect the ethical aspirations that are being communicated (that is, 'walking the talk').