

## “Elements for a Code of Ethics”: A Best Practices Approach

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### ABSTRACT

*This paper illustrates the threat to an organization posed by a deficiency in ethics by presenting the case study of “Benedict Arnold College (BAC)” and making recommendations to revitalize its ethical base. It gauges the impact of various approaches to determine best practices and concludes that, while leadership styles and practices may vary according to culture and locale, Freeman’s (2009) “Common good approach” is the ethical standard all BAC campuses can and must maintain, balanced by respect for cultural differences, in order to fashion best practices and achieve long term survival.*

### INTRODUCTION

Organized in New York City in 1971, Benedict Arnold College’s (BAC) initial mission was to advance the educational services and degrees for working adult students living in the metropolitan area. The college has grown and currently has 20 offices in 20 plus states and Washington, DC, providing educational services to better the lives of over 2 million citizens. It merits note that each campus has its own in-house leadership, and human capital, and receives structured guidance and financial support from the national headquarters. Recently, however, the BAC has experienced a decline in students and the closure of several campuses. Diagnosing the problem as due to outmoded managerial ethical practices and a resulting enervation of students, BAC’s Chief Operating Officer seeks to transform BAC and its network of campuses into an ethical learning organization for forward motion in the 21<sup>st</sup> century

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The ability of Benedict Arnold College (BAC) to market educational goods and services in the current economic climate is based on its leadership’s ability to establish and adhere to ethical best practices that mandate equity and fairness from the boardroom to the mailroom. While many argue that, in a marketplace covered by laws and oversight agencies, there is little need for ethical codes of corporate conduct, in fact laws and government regulators

are limited in their ability to create ethical codes of behavior for all organizations. As a writer for scu.edu/ethics (2010) makes clear, “Ethics is not following the law. A good system of law does incorporate many ethical standards, but law can deviate from what is ethical.” Given this, the singular purpose of creating a corporate code of ethics at BAC is to ensure that all that interact with the enterprise are treated fairly and with the highest level of human dignity. In support, a writer for scu.edu/ethics (2010) declares “Simply stated, ethics refers to standards of behavior that tell us how human beings ought to act in the many situations in which they find themselves. as friends, parents, children, citizens, businesspeople, teachers, professionals, and so on.” Still, while many organizations have codes of conduct, at times they are loosely followed or are not followed at all. Such scenarios, characterizing unscrupulous enterprises, bring into question the process by which BAC codes of corporate ethical behavior are created.

### CRITERIA FOR EVALUATING CODES OF ETHICS AND CARE

The process for evaluating BAC’s ethical code of conduct is noted by Derry (2005, p. 65-66) as “moral reasoning that derives from a concern for others and a desire to maintain thoughtful mutual relationships with those affected by one’s actions.” Adding voice, Freeman (2009) offers the “Common good approach,” demanding that all be treated in a fair and just manner. In the technologically evolving world in which all of BAC campuses operate, a central criterion for

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evaluating a code of ethics is that it be an evolving document, able to change in order to remain applicable. As John Naisbitt, in *High tech high touch: Technology and our accelerated search for meaning* (2001), posits, “It is learning how to live as compassionate human beings in a technologically dominated time. It is consciously choosing to employ technology when it adds value to human lives” (P. xv). Supporting Naisbitt’s criteria, a writer for bentley.edu (2010) posits, that a “...Code of Ethics is meant to be a living document that best reflects the culture and values...” of its specific organizational context.

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For best practice in 21<sup>st</sup> century learning and knowledge ownership, BAC’s code of ethics must explicitly embrace Freeman’s (2009) “Common good approach” as a commitment to treating all in a fair and just manner, first through its mission to afford all students a quality education, and second through the same standards of fairness and justice in its code of ethics for personnel. The confluence of ethical stances towards students and employees embodies the position of a writer for bentley.edu hr/ethics-code (2010), who states “It is not the purpose of this Code to address every situation, but merely to make individuals aware of the general scope and application of business ethics in an institute of higher learning.” Complementing the “Common good” approach must be an explicit statement respecting the conscience of individuals (religion, etc.) like the Bill of Rights complementing the Constitution. The code of ethics, moreover, must provide a comprehensive foundation for dealings among and with all stakeholders, internal and external. Additionally, it must incorporate a code of honor, like that of the U.S. Naval Academy, which not only protects whistleblowers, but demands that all employees report ethics violations. Next the authors turn, following Argosy’s (2010) “Analysis of ethics policies and practices,” to three significant ethics issues at BAC: 1) Sexual and other forms of harassment; 2) Nondiscrimination issues; and 3) Internal and external business relationships.

### “Sexual and Other Forms of Harassment”

In order to implement an effective 21<sup>st</sup> century plan of action, BAC’s leadership must first fully understand the nature and complexity of the issues at hand. There are various governmental levels of law covering the “hot button” issues of discrimination based not simply on race but on

such factors as nationality, gender, age, sexual orientation, and disability; moreover, such discrimination can be expressed through harassment in a variety of forms, including verbal and nonverbal communication, and physical threat or contact (including bullying), and that all of these can be employed in sexual harassment. For example, a writer for eeoc.gov (2010) explains that “It is unlawful to harass a person (an applicant or employee) because of that person’s sex. Harassment can include ‘sexual harassment’ or unwelcome sexual advances, requests for sexual favors, and other verbal or physical harassment of a sexual nature.” However, it merits note that some offensive behaviors may not be covered by a statute, yet represent infractions of a corporate ethical code because they fall short of the “Common-good approach,” as acknowledged by a writer for eeoc.gov who puts forth that “Not all employers are covered by the laws we enforce, and not all employees are protected.” Ergo, step one of a three-pronged approach, “Prevention,” is fundamental in that it creates an ethical environment in which all BAC employees are afforded the protection of a code of ethics and its enforcement. Indeed, the principles and spirit of such a code ensure that it is more comprehensive than governmental prohibition of particular acts. Concurring, a writer for bentley.edu hr/ethics-code (2010) states that “It is not the purpose of this Code to address every situation, but merely to make individuals aware of the general scope and application of business ethics in an institute of higher learning.”

### Step One: Pro-Active Prevention that Should be Taken to Stop Harassment in the Workplace

What is called is for the creation of a new ethics training and development program, with an orientation for all new employees throughout BAC’s footprint that is explicitly rooted in Freeman’s (2009) definition of the Common-good approach as one “... designed to be a fair and impartial point of view that is to be adopted in our reasoning about fundamental principles of justice.” Moreover, the program should also provide for ongoing training and development for current staff that focuses on two questions: 1) “What is harassment?” and 2) “Why is it both morally wrong and bad for the college?” Areas covered in the new ethics program would include a clear definition in the largest sense of harassment: verbal (conversation, jokes, telephone, writing), nonverbal (body language,

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gestures, facial expressions, touching, display of images), physical (touching, "humorous" hitting), and overtly sexual (all of the preceding, plus innuendo, "compliments," and proxemic violations). Further, because BAC has a large online student population, there exist problems and gaps in the college's original code of ethics, as the code was created before online learning. These must be addressed so that offensive remarks in chat/email will be covered under the new code of ethics with recommendations to explicitly ban offensive comments, nicknames, and references to anatomical largesse in student-teacher and student-student electronic chat and email. As Schulman (2004) avers, "First, it's important to register just how pervasive technology is in students' lives. That's not necessarily a bad development, but there's a danger in it." Ergo, the new code of ethics stipulates that all new BAC employees must complete an ethics orientation within thirty days of employment; contractors who are to be in the employ of the college for more than sixty days will be required to complete the program as well. Both employees and contractors, upon completing the program, will be required to sign a Memorandum of Understanding (MOU) of their intent to fully comply with the tenets of the training.

### **Step Two: Multi-Stage Monitoring**

Step two of the plan of action calls for all regular reports submitted by all department heads to include a section on the ethical profile of their department, including misconduct, complaints with inter-departmental resolutions, and complaints forwarded to Human Capital, including the names of all those involved. Next, an "Open door policy" and hotline within each department and within the Office of Human Capital would empower all employees and contractors to speak freely and to whistle blow, without fear of reprisal, in person, by telephone, or via e-mail, to discuss any concerns or to file a formal complaint addressing ethically or culturally offensive items, for example, college events (student, faculty, both) being held on Jewish/Muslim/Hindu/etc. holidays, viewed as a form of religious discrimination. As reinforcement, there should be regular reminders to all employees of the code of conduct and use of questionnaires to obtain employee ideas and concerns. Lopez (2009) rightly counsels, "Provide as much information as possible and communicate with your team regularly. Transparency will help ensure trust and minimize speculation." Additionally, to

ensure that best practices are truly followed, affinity groups representing minority groups and women need to be actively involved in the ethics leadership process.

### **Stage Three: Affinity Groups**

As Schein (1996) observes, "The members of a culture are not even aware of their own culture until they encounter a different one." There are occasions when certain employees simply feel more comfortable discussing certain issues in a group of like individuals who have a common bond. Given this, the leadership at Benedict Arnold College must establish and hold regular meetings with representatives of all affinity groups to discuss any ethical issues that may have be presented to the group. It merits note that such issues be handled with care and professionalism, and that no reprisal be taken in any manner.

### **Yearly Evaluation by Outside Consultant**

To ensure that employee involvement and ethical performance are objectively monitored, yearly formative evaluations should be conducted by an outside consultant. This will have the additional value of reinforcing, to all personnel, management's sincere interest in honest feedback; as Coutu (2009) observes, "I can't emphasize strongly enough the fact that you've got to surround yourself with people who can argue with you and question your assumptions. It particularly helps if you can bring in people whose temperaments differ from your own." Thus, a two-fold benefit emerges. First, it allows for the free-of-fear exchange of information and brainstorming of ideas. Second, it increases economies of scale for the human capital buy-in effect on the personnel of the teams, building diversity awareness, motivation, and their commitment to the organization's current and future objectives.

### **“Internal and External Business Relationships”**

A recent U.S. General Accountability Office undercover investigation citing various unethical activities at several for-profit colleges around the nation, as reported by a writer for nasfaa.org (2010): "An undercover investigation of 15 for-profit institutions by the U.S. Government Accountability Office (GAO) found that four for-profit colleges encouraged fraudulent practices and that all 15 made deceptive or otherwise questionable statements to undercover applicants." Therefore, BAC's code of ethics must specifically ban the

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unscrupulous behavior of recruiters and other college personnel in making false statements to potential students, e.g., exaggerating the ease with which students can receive credit toward their degree for experiential learning, and can obtain high salary jobs right after graduation. It is vital to distinguish BAC as a morally driven enterprise that does not tolerate such unethical activity, thus sending the larger message to its personnel that Porter and Kramer (2006) phrase as, “Good citizenship is a sine qua non of CSR and companies need to do it well” (p.11).

### Recommendations for Changes and Improvements with Action Strategies

While each employee of BAC represents an idioculture infused with a system of values, BAC also has a unique culture and set of values uniting its personnel, developed over time and fostered by leadership. At times, individual and organizational values may vary and, in fact, collide. What is needed, therefore, is a new organizational values system as the ethical underpinning of organizational culture. The new system would encompass common beliefs that are subscribed to by all; shared, maintained, and protected as a statement of what is most important to cultural identity--- the governor of the organization, from top to bottom, whatever external or internal issues arise. Achieving the organization’s goals depends upon leadership’s mediating differences between personal and organizational values, not to disrespect or eradicate the former, but to achieve consensus in the context of the workplace through what the authors’ term the “3C approach”: conciliation, cooperation, and coalition. Harmonizing with the authors, Bower (2009) posits that “A coalition is a group of individuals with dissimilar values, characteristics and priorities working toward a common goal. The members of a coalition forgo their own goals for the mission of the coalition” (p. 37). Any number of ethically-charged variables may need to be addressed through the “3C approach,” depending upon the nature of the BAC campus, the human capital, and the mission. Thus, for BAC, the question arises as to how education or the lack thereof might impact the ethical awareness of BAC’s human capital.

### Education: The Haves and the Have Not’s

While some might assume that all employees of Benedict Arnold College would hold education among their values and be highly educated, the author argues that this is not always the case. The fact of the matter is that Benedict Arnold

College employs over nine hundred skilled laborers and other staff members who perform vital tasks daily which do not require post secondary education. It is here that the authors strongly call for a clear indication of the college’s leadership guiding organizational culture to enhance personal values by offering all employees flexible ways to further their education and opportunities for career advancement. For example, in addition to tuition remission for employees and their dependents, the college also should offer a plethora of other education and skill-set enhancement opportunities, including Instructor-Led Training (ILT), Computer-Based Training (CBT), Blackboard, web-based training (WBT), WebTV, telephone, executive education, regular mail and faxes, mobile devices (PDAs; Cellular phones, etc) as interfaces to the overall learning environment. This promotion of the value of education benefits not only the individual employee but the organization as well since, as Hartley (2009) explains, “When centralized under a single global umbrella, learning can be standardized and made repeatable, ensuring integrity of the content and design wherever it’s delivered. Centralization also allows companies to capture best practices locally and leverage them worldwide” (p.18).

### ETHICS IN ACTION

While some institutions have, under the pressure of current economic conditions, hired employees whose ethics and personal values do not meet the standard of the organization’s, BAC has maintained recruitment, on boarding, and retention practices designed to ensure that its human capital are not only qualified but that they have the moral fiber that propels forward motion. Candidates to fill vacancies will be made to understand that the college is serious about its values and the ethical cast of its culture, with emphasis on such points as the following: 1) The college maintains zero tolerance policies for sexual/ physical harassment, discrimination, and substance abuse; 2) Compensation packages are not based solely on salary, but equally concerned with the kind of quality of life factors indicated by a writer for Value Based Management Net (2010) discussing Frederick Herzberg, factors such as flex work schedules, tele-commuting, and job sharing; 3) Freeman’s (2009) “Common good approach” is employed by the transformative leadership to ensure that all employees and contractors are treated in a fair and just manner.

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Citing such concerns in a statement of core values alerts prospective employees and new hires of Benedict Arnold College to the fact that the organization has a clear set of values informing its culture and that all who become part of the organization are expected to maintain its ethical level.

### Ethics: A Family Affair

A core aspect of Benedict Arnold College leadership's commitment to ethical values is to put these values into action, through policies and procedures, in a manner that is explicit to the entire human capital family. For example, the college fully supports and provides equal rights and benefits for traditional families, single parents, same sex civil unions, and employees who have other immediate family members as dependents. This is clear evidence that the organization's culture is imbued with its values. Supporting the BAC leadership's boldness in realizing the “Common good approach,” especially in an economy where others are cutting back on human capital benefits, Jimena (2009) asserts that despite economic forecasts “The ethical leader consistently unites ‘doing the right thing’ with ‘doing the right thing for the business’” (p.11).

### Religion at Work: The Ethics Factor

Clearly, it is in the organization's best interests to hire new personnel whose personal values already mirror those of the organization, or who are prepared to find common ground between their own values and the organization's. (Candidates who pretend to embrace the organizational values should be detectable by experienced HR staff and interviewers.) However, where an employee has personal values that do not conflict with the organization's, or are beyond the sphere of the workplace, neither the organization, nor an individual or group of individuals, must ever intrude upon that employee's values and conscience. For example, the organization's embracing of diversity must include respect for the religious practices of all employees, so that a Sabbath observer must not only have the right not to work on the Sabbath, but must experience no coercion to do so, and no fear of losing benefits or opportunities as a result. BAC's ethical platform should therefore explicitly guarantee all employees and their families the occasion to practice the religion of their choice, and that the college will not hold college-wide events during times of religious devotion, e.g., Good Friday, Easter, Passover and Ramadan.

Yielding support for the ethical value of such cultural sensitivity, Fitzgerald (2010) avers that “In a world marked by rapid innovation, ethical judgments allow us to sift the evidence, name our values, and choose our means of achieving the best possible results.”

## CONCLUSION

In the current global economic climate in which corporations rise and fall, it is the willingness and ability of transformative leadership to fully incorporate moral fiber into the corporate mission that creates best practices for long term survival. While many organizations have embraced this concept, sadly, others have not, and as a result have ceased to exist. It is to be hoped, however, that the leaders at BAC and all leaders will see the need for an ethical organizational culture solidly based on shared values, following the counsel of Garicia (2010), who avers “Don't be a hypocrite. Conduct yourself with at least the same standards of professional behavior and performance behavior and performance that you demand of your employees.”

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