

Developing a Code of Ethics for Your Small Business:

Why, When, How

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Overview

This presentation will focus on

--the difference between personal values and ethical values

--the basis of ethics as it applies to small business as a profession

--why codes of ethics are important to all, including small, businesses

--the reasons for writing your code of ethics – knowing yourself and your values

--when to write a code of ethics – are you ready to commit?

--how the code of ethics fosters better communication – how to brand you business as an ethical one

Why, When, How

- ***Why?***

- Good Ethics = Good Business
- To brand your business as an 'ethical' one
- To communicate your ethical values to yourself and others; language is powerful
- Reminds us of what 'I' or 'we' should/must do

- ***When?***

- When you are clear about your ethical values (and not simply personal ones)
- When you have a mission statement that provides a foundation for your goals (ethical and otherwise)
- When you are ready to communicate your brand

How?

- Evaluate your profession's code of ethics
- Identify who and what your business entails— know the details – and its goals
- Choose principles and practices that your business will adopt (A CoE should be ACTIVE)

Personal Values

Pertain to things we like, things we value, things we appreciate; they may overlap with ethical and moral values; sometimes based on feelings; might overlap with cultural values, and religious values

Ethical Values

Pertain to the value of actions; entails a systematic inquiry, an evaluation of intentions, actions, and consequences; requires a rationale, not a rationalization

****A code of ethics differs from a conduct.***

***** A code of ethics should be based on a systematic assessment of what the business holds to be of ethical importance.***

******This will indicate the intent of the business and professional to do 'good business'.
(Why)***

ETHICS: “Ethos” (Character)

The fundamental **principles** and concepts of human thought and activity (Anthony Flew)

Historically, it incorporates notions of human nature and the principles by which people should live so as to maintain their **character and integrity**

Pertains to **wholeness or completeness** of a human and the principles and actions that help attain completeness (*Integrity*)

Ethics may refer to standards but not ones that are impossible to apply

MORALITY: “Moralis”

“Moralis” : refers to mores; honesty, integrity

May or may not incorporate principles as it is currently understood or practiced

May refer to the codes guiding human behavior in a given society

Ethics revolves around integrity

Integrity: Strict personal honesty and independence; completeness; unity; soundness

Integrate: to make into a whole; unify; to join with something else; unite

*A code of ethics should indicate a business's intent to have, and demonstrate, integrity and professionalism

**A code of ethics should include concepts that indicate the professional's understanding of their 'ethical' or 'moral' responsibilities

Ethics pertains to relationships.

Why?

The Moral Dimension of Being a Professional

1. A dedication to a particular way of life
2. Involves activities important to the functioning of society
3. Putting service to society, and often the individual, ahead of, or at least equal to, personal gain

**from* Health Care Ethics, Principles and Problems by Thomas M. Garrett, Harold W. Baillie, and Rosellen M. Garrett (Englewood Cliffs: Prentice Hall: 1993)

Assumptions of Ethics

Ethics is rational.

People are moral equals (meaning they are deserving of moral consideration.)

- born human
- rational
- autonomous
- sentient
- the ability to be a 'self' or 'person'
- the ability to have projects, plans

People have dignity and should be treated with respect.

**A code of ethics will inform people of your intent to treat them respect.*

Why?

Good Ethics = Good Business

... in terms of profit and your integrity

1. Professional practices not undertaken in good faith and with the intent to honor their professional codes can undermine the dignity of persons (self/peers/employees/vendors/clients)
2. People who need a professional service might not receive it
3. Trust can be undermined and persons harmed
4. The betterment of the profession and society might be undermined

Why?

To foster a better understanding of our motives and intent.

Why a Code of Ethics Can Help Avoid, and Resolve, Conflict

Moral practices refer to the behaviors of people.

Moral rules are sometimes the reasons why people behave in particular ways.

--Rules provide justification for moral practices.

--“Clashing moral rules do not denote a genuine moral disagreement.”

Moral principles underlie moral rules and typically “generate moral rules within specific contexts.”

**Sometimes people have more in common than it seems. We simply confuse practices or rules with principles. Codes can help clarify this.*

***A Code of Ethics is NOT simply a Code of Conduct. A COE will help people to think critically so that they can understand why the codes are important to their profession, work, etc.*

Michael Brannigan, *Ethics Across Cultures*

When, What, and How?

Professionals should ask the following questions:

1. What are my ***personal preferences***? Do I know what ***values*** I hold? Do I understand how these might have an impact on those I will serve?
2. What ***is my basic code of ethics***? Do I practice this? If so, how?
3. What is your mission? Do you have a mission statement? Your COE should complement this.
4. What is the oath of my profession? What are the underlying principles of my profession? How will you integrate these principles and codes into your own?
5. Have I been faithful to my ***professional oath*** and the ***principles*** of my profession? How might my code of ethics help foster this?
6. How do/can these principles apply to my small business? What and how do I intend to integrate them into my codes of ethics and my business practices?
7. What principles or codes should I specifically include that apply to my practice?

Basic Principles of Ethics:

How do they apply to your business?

How will you integrate them into your codes?

Veracity: telling the truth

Beneficence: doing 'good'

Nonmalificence: not harming

Confidentiality: keeping secrets

Autonomy: self-law

Justice: need; fairness; distribution

Informed Consent or Refusal: having the information needed
to make an autonomous choice

***TRUST is important to each of these.**

What principles might I add to this list and include in my code of ethics?

CONCLUSIONS

Developing a code of ethics for your small business will help brand its identity.

Good Ethics is Good Business.

Personal values should be re-examined on a continual basis so as to insure that individuals, and the business, can fulfill their personal and professional duties.

Communicate your code of ethics to your peers, employees, vendors, clients, etc.

Do appropriate training for your staff.

Evaluate your code, and your profession's codes and oaths, on a regular basis.

Review practices, and problems.

Engage in continual dialogue about ethical issues and dilemmas confronted so as to enhance awareness.

A Code of Ethics for My Business

A code of ethics is not only a statement of your values; it is also a promise that you make to your peers, staff, and customers, your community, and your profession.

Review the principles of ethics and the codes of your profession and determine what you want and need to include in your code.

What do you want to tell your community about your business and the manner in which you will conduct business and communicate with members of that community?

Select Codes of Ethics

American Bus Association

<https://buses.org/about/about-aba/ethics>

Accounting Ethics

<https://smallbusiness.chron.com/accounting-ethics-integrity-standards-24246.html>

Telecommunications

<https://bizfluent.com/facts-7341952-code-ethics-telecommunications.html>

Association of Professional Sales

<https://www.associationofprofessionalsales.com/professional-development/sales-code-conduct-aps-ethical-professional/>

National Association of Realtors

<https://www.nar.realtor/about-nar/governing-documents/code-of-ethics/2019-code-of-ethics-standards-of-practice>