

DANIELS FUND
ETHICS INITIATIVE
NEW MEXICO STATE UNIVERSITY
COLLEGE OF BUSINESS

Developing a Code of Conduct

2015 NMSU Conference

(for Promoting Ethical Business Practices in the Non-For-Profit, Health Care, and Social Service Sectors)

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Ethics

- What Is Ethics?
- Why Is Ethics Important?
- How to Develop Ethical Culture and the Code of Conduct in an Organization?



What Is Ethics?

- Ethics
 - “Shared expectations for behavior in particular circumstances” (Baird, 2010)
 - “Morality... is our individual moral compass that lets us know what behavior we expect of our selves and others in particular situation.” (Baird, 2010)



What Is Ethics? (Values versus Principles)

Values-Based Ethics	Principle-Based Ethics
Values are formed relative to the individual and given situation.	Principles provide a ‘right-vs.-wrong’ standard for an individual’s behavior.
Values are broadly-defined and can be subjective and varying across cultures.	Principles teach an individual to ‘ <i>do what is right, NOT what is best.</i> ’
Values lead to choice and are used to develop socially enforceable norms (i.e. unwritten laws; e.g. washing hands before eating).	Principles are universal, used to develop rules (i.e. written guidelines; e.g. traffic rules) across cultures.
Rawlsian Ethics (Rawls, 1971): Principles ⇒ Values ⇒ Norms ⇒ Behavior	




What is Ethics?

Have You Ever Encountered an Ethical Dilemma?



Would you ever prescribe a treatment that was a placebo, simply because the patient wanted treatment?

Yes - 23.5%
No - 58.3%
It depends - 18.2%



Why Is Ethics Important?

- Ethics is important, because:
 - It helps building trusts!
 - Increase in commitment and cooperation
 - Decrease in uncertainty and possible conflicts
 - In an organization, it helps enhancing organizational reputation and productivity!



How to Develop Ethical Culture and a Code of Conduct in an Organization?

- **Ethical Organizational Culture** means both leaders and subordinates in an organization are:
 - Collaboratively creating a code of ethics with proper reinforcement and consequences
 - Cohesively following ethical codes and practices in their jobs and business



How to Develop Ethical Culture and a Code of Conduct in an Organization?

- Common examples of ethical codes:

Common Examples of Ethical Codes				
Respect	Integrity	Transparency	Fairness	Honesty
Accountability	Avoidance of CoI	Confidentiality	Inter-partner Relationship	Trust & Credibility
Legal & Compliance	Loyalty	Teamwork & Sportsmanship	Environmental Safety	Professionalism
Leadership	Avoidance of Malpractice	Standard & Practicability	Commitment for Improvement	Proactivity



Example of DFEI Principles:

Integrity, Trust, Accountability, Transparency, Fairness, Respect, Rule of Law, and Viability



Example of DFEI Principles:

Integrity, Trust, Accountability, Transparency, Fairness, Respect, Rule of Law, and Viability

- <http://www.danielsfund.org/Grants/Ethics-Initiative.asp>
- <http://business.nmsu.edu/research/programs/daniels-ethics/>



How to Develop Ethical Culture and a Code of Conduct in an Organization?

- **Main Components Built to Code of Ethics/Conduct:**

(http://www.shrm.org/templatestools/samples/policies/pages/cms_014093.aspx)

- **Organizational Core Values and Vision**
 - Core value and vision statement
- **Organizational Mission**
 - Mission statement
- **Ethical Culture and Practice**
 - Main ethical codes and compliance
 - General and field practices; reinforcement; consequence
- **Avoidance of Injustice**
- **Information and Resources**
 - Reporting structure



How to Develop Ethical Culture and a Code of Conduct in an Organization?

- Example #1: Code of Conduct, Hospital Corporation of America (HCA)
 - <http://hcaethics.com/ethics/code/CodeOfConduct.pdf>
- Example #2: Code of Ethics and Standards of Practice, National Association for Healthcare Quality (NAHQ)
 - <http://www.nahq.org/uploads/files/about/codestandards.pdf>



You! Leaders!!



flickr, donkeyhotey



Leaders' Ethical Responsibility

- **“The distinguishing mark of leadership and executive responsibility is influencing the moral behavior of others.”**
 - Chester Barnard, *The Functions of the Executive* (1938)
- **“Management is doing things right; leadership is doing the right things.”**
 - Peter Drucker, *The Essential Drucker* (2008)



Leaders' Ethical Responsibility

- Chinese proverb: “上樑不正下樑歪!” (shàng-liáng-bú-zhèng-xià-liáng-wāi)
 - “If the upper beam is not straight, the lower ones will go aslant.”
 - “Fish begins to stink at the head!”
 - **When a leader fails to set a good example, his followers will follow suit.**
- **Leaders! Being ethical & set good models!**



Reference

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- 2. Reference of Field Study

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- Code of Ethics for Health Care Compliance Professionals, by Health Care Compliance Association (HCCA), available at <http://www.hcca-info.org/Portals/0/PDFs/Resources/HCCACodeOfEthics.pdf>
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Q & A

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- Thank You! 😊

