

Use of Codes of Ethics in Business

2007 survey & analysis of trends

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Published by The Institute of Business Ethics,
24 Greencoat Place, London SW1P 1BE

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Executive Summary

Executive Summary

Since the 2004 Report there have been significant changes in the ways companies are approaching their ethics policies and the role of codes of ethics.

Among the main findings of the survey are:

- The majority of large companies have had a code of ethics (or whatever name is used) for more than five years (and 25% for more than ten years).
- Guidance for staff and helping to guard reputation are the main reasons that companies give for having a code.
- Legal departments are the usual function given responsibility for administering the code. More boards of directors are taking a direct interest.
- Electronic copies of codes are now preferred to hard copies in communicating ethical standards to staff.
- 71% of companies with codes now provide training on them compared to 47% in 2004. Induction training is the most common method (86%). More than 35% of companies use intranet training.
- 95% of companies with codes provide a way for employees to raise ethical issues on a confidential basis (89 % in 2004).
- Seven out of ten companies include conformity to the code in contracts of employment (62% in 2004).
- Only half of respondents say they include questions on ethical standards in their staff surveys.
- Environmental issues now rank with safety and security matters as the most significant ethical issue companies say they are facing.