Making Business Ethics Work

The foundations of effective embedding

by Simon Webley

NOMURA

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Summary

This report focuses on the gap in many companies between having a corporate ethics policy and the embedding of these policies into day-to-day business decisions.

Chapter 1 examines evidence for this gap. It looks at examples of corporate malpractice and assesses a number of published surveys and academic writings on the topic. It concludes that companies seem too often to rely on their formal ethics programmes which alone are insufficient to ensure consistently high standards of corporate behaviour.

Chapter 2 discusses the principal reasons for the gap. It explores the relevance and importance of an ethical corporate culture expressed in the way an organisation does business. It also looks at some of the hindrances to sustaining an ethical culture.

Drawing on the experience of a number of companies that endeavour to embed their ethical values, Chapter 3 suggests ways to bridge the gap. It highlights several features of their programmes that appear to be pivotal to a successful policy. These include the provision of continuous training throughout the business on this topic and incorporating ethics into corporate strategy discussions and decision making.

Chapter four explores what constitutes an effective ethics policy and programme. It starts by discussing the characteristics of an organisation that embeds its values, and describes ways for top management to measure the outcomes of such a policy. It also provides some symptomatic indicators of ethical problems in business.

The overall conclusion of this report is that while codes of ethics have been relied on to promote ethical behaviour, it is apparent that these alone are not sufficient. Ethical failures in companies with codes are becoming too common to treat as aberrations; clearly more is required if ethics is to become embedded in an organisation. This report suggests some ways forward.