



# Outcome-oriented Ethics Codes

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# What is Ethical? (The Hard Problem?)



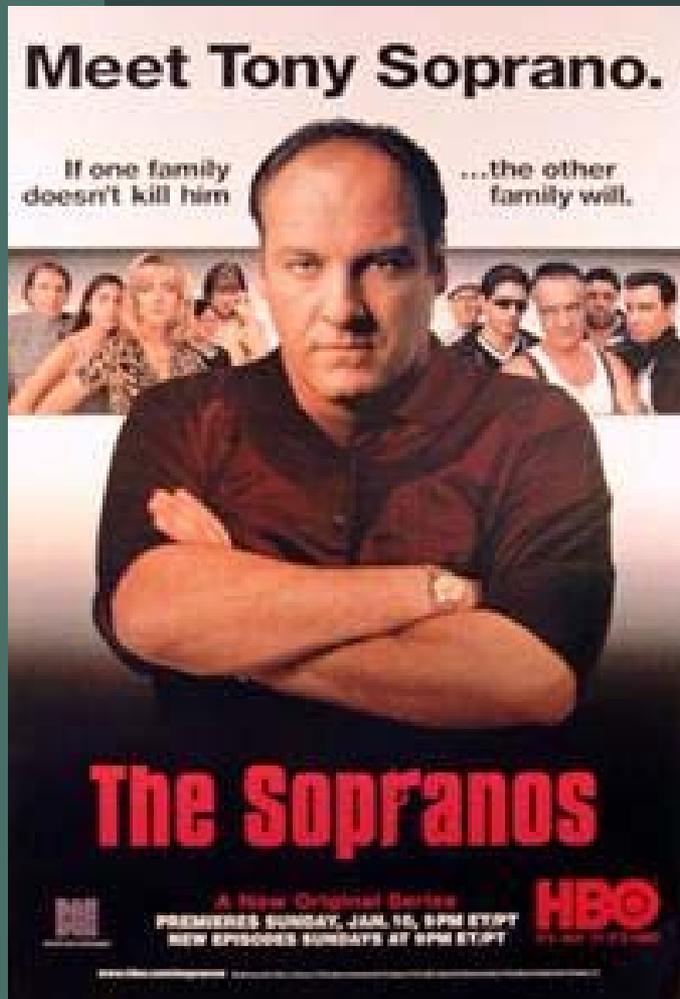
# This May Be Your First Question

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- Whose morality, whose code?
- Let's look at a counter-example



# Tony Soprano's Code



“Tony Soprano lives by a moral code. True, his moral compass does not lead him in the direction of society’s laws, but in his world, loyalty is rewarded, and disloyalty is punished. Those who get whacked deserve it because they have betrayed him.”

[Ottawa Citizen, 22 Sept 2002]



# What Makes a Code “Ethical”?

- We need a conception of ethics ...
- Ethical disagreement starts with conceptions of “the good world”



# Three Perspectives, Traditions

Focus	The Good World Is ...
(1) Character or Attitude	... a world populated by virtuous people
(2) Rules to Guide Actions	... a world in which the use of, e.g., the golden rule is pervasive
(3) Goals to Guide Actions	... a world in which, e.g., overall happiness is maximized



# Result: The Reality of Pluralism

- Definition: Ethical analysis is the “inquiry into what is good” (G.E. Moore)
  - Good character, virtue, values (Virtue ethics)
  - Good rules, standards, laws (Deontology)
  - Good results, outcomes, consequences (Utilitarianism)
- More than one option, but not that many!
  - (Scientists: Give the humanities a break)



# ... Not Clearly the Main Problem

- Sure, ethical dilemmas and trade-offs are difficult
- But practice shows: judging the ethics of the individual components of codes is not that hard
  - We are good at writing “ethical sentences”
- What is hard, is to create a code that works



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Why Would You  
Want a Code?



# Why A Code?

- Why do we want to be “ethical”?
  - Because we want to be good
  - Because we want to limit ethical risk



# Ethical Risks

- Cooperative culture is at risk
- Workplace quality is at risk
- Internal trust is at risk
- Reputation; brand management is at risk
- Emerging legal risks
- ...



# The Code Is A Tool To:

- Build a healthy, shared culture
- Communicate shared values and obligations
- Show leadership
- Ethical performance measurement

... all of which help manage ethical risks



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# The Road to the Code



# On the Ubiquity of Codes

- Unwritten codes
  - An essential ingredient of human culture
  
- Written codes
  - A very great number of examples ...
  - E.g., Values & Ethics Code for the Public Service



# Types of Codes

The choices offered by ethics advisors:

- Values-based codes

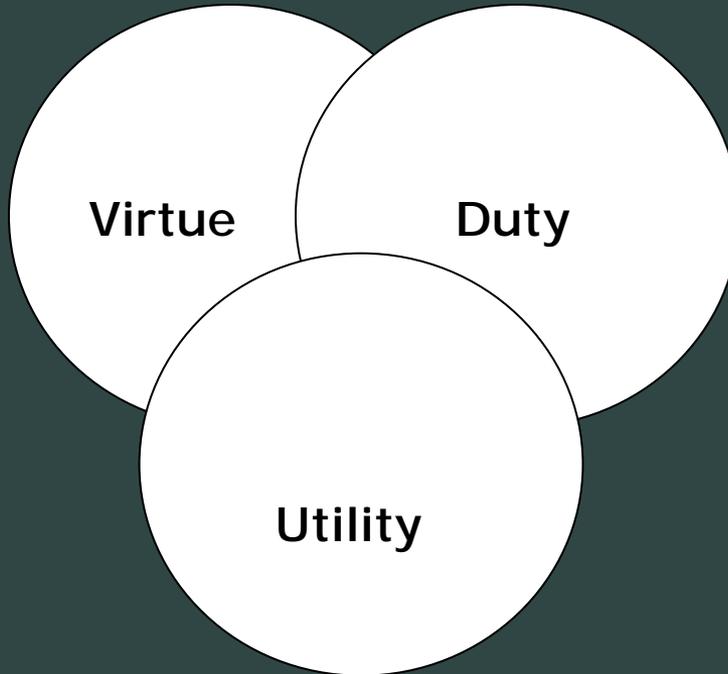
A list of commonly shared values and guiding principles

- Compliance codes

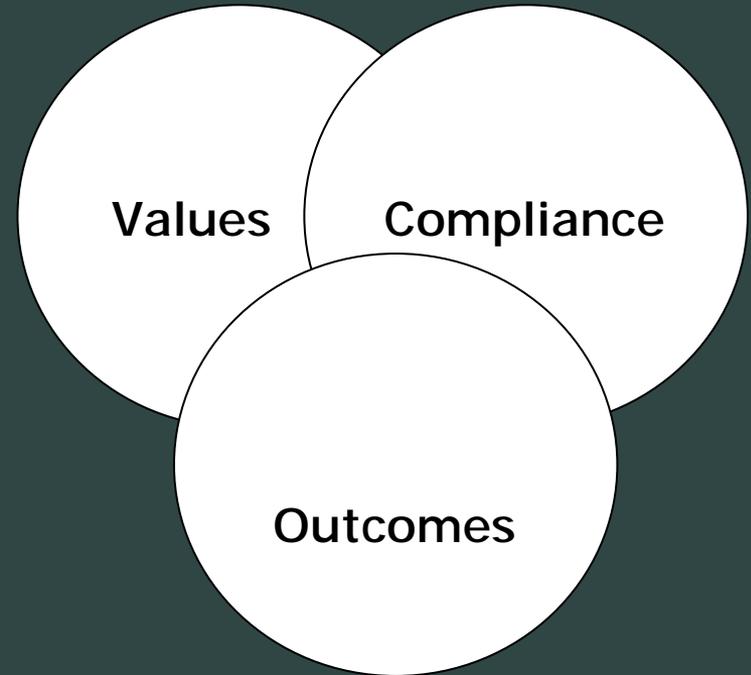
A list of rules and limits that need to be respected by all users



# Codes: Is There a Missing Link?



**Traditions**



**Codes**



# Codes and the Idea of Utility

- Ok, the end does not always justify the means
- But: the existing codes are created to some end or other
- Let's review the nature and benefits of the existing two options ...



# Nature of Codes

## VALUES-BASED

- Flexibility
- Works with unexpected
- Dialogue approach
- Fosters team work
- Brief
- Own judgment
- Owned by all

## COMPLIANCE-BASED

- Consistency
- Predictable decisions
- Analytic approach
- Fosters precision
- Detailed
- Enforceable
- Implementation can be top-down



# Benefits of Codes

## VALUES-BASED

- Workplace:  
Good outcomes from the good judgement of participants
- Environment:  
Good outcomes from experienced, empowered, thinking, cooperative staff

## COMPLIANCE-BASED

- Workplace:  
Good outcomes through enforcement
- Environment:  
Good outcomes because standards match environm. requirements; audit and enforcement work well



# Outcome-oriented Codes

- Outcome-oriented codes are, simply:
  - The best possible combination of elements from values-based and compliance-based codes for a given situation
    - Judged by the outcome one wants to achieve
    - Outcomes can be conceived very broadly ...



# Getting to Codes - 2 Paths

- Bottom-up
  - Buy-in
  - Distill existing culture
  - Learn from the trenches
  - Required for values-based codes
  
- Top-down
  - Legality, analysis
  - Match to organizational commitments
  - Keep an eye on performance measurement
  - Works best with compliance-based codes



# Again: Value of Mixed Approach

- Put governance on the table
  - Fair and informed process
  - Important for an “ethical ethics code”
- Value of dialogue
  - Respects the reality of pluralism
  - Has value-in-itself - issues can be resolved



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# The Road After the Code (The Hard Problem!)



# Implementation Is Key

## ■ Superficial Approach

- Have a code (framed on the wall)
- Have an ethics officer (with little power)
- Have employees glance at the code annually

## ■ Effective Approach

- The code means something to staff
- It is taken seriously by leaders (>integrity)
- “Measure” the performance
- Live by the code, enforce the code, improve the code





# Keep Outcomes in Mind

- Outcome-oriented codes (*product and process*) will be designed to work well in an ethical risk management context, i.e., they are designed to:
  - Build a healthy, shared culture
  - Communicate shared values and obligations
  - Show leadership
  - Ethical performance measurement



# Take-Home Messages

- Good ethics are pluralistic but manageable
- Writing “ethical sentences” is not the hardest problem
- The process is as important as the product
- Implementation is crucial and often the hardest problem
- Outcome-orientation, properly used, is an important and useful guiding principle



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