



THE UNIVERSITY
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Designing an Effective Code of Conduct: a practical research and empirical study of some Russian companies

14th Annual Australasian Business Ethics
Network (ABEN) Conference

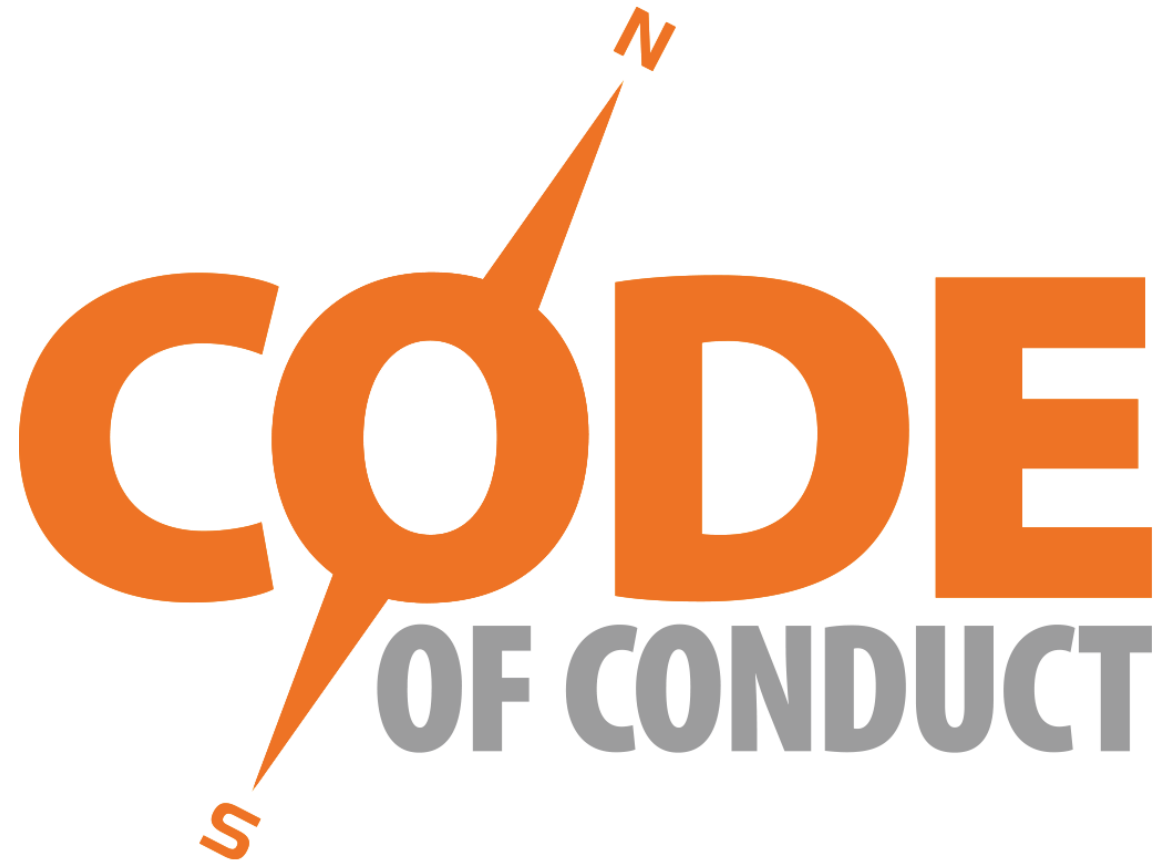
The University of Adelaide

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What do
companies
create a



for?

What do companies create a code of conduct for?*



Key goals of the Code of Conduct?*

- ❑ Building a reputation of a socially responsible company
- ❑ Minimizing risks for business
- ❑ To influence stakeholders
- ❑ Compliance with international standards and expectations of foreign investors
- ❑ Acceptance of corporate values
- ❑ Ensuring ethical behavior

How to create an effective Code of Conduct?



Content



Format



Structure

“A Code must be written from the heart”!



Language



Design

Drafting a Code – is a research work!

Legal force of the Code



◆
The Code is a normative document, has the status of a **main document**, **approved by the governing bodies**

◆
The Code is **mandatory** to comply by all employees, including management bodies

◆
The **obligation** to comply with the Code's provisions **must be specified in the employment agreement**

◆
Failure to comply with the Code will constitute a **disciplinary offence**

Some overview of Russian Codes

Definition of "ethical"

- Choice of language**
- **Language of Virtues or Principles**
Trust, Honesty, Openness, Reasonability, Integrity (Sitronics, IT)
 - **2. Creative Language**
MoreThanWork#, ForClient#, Fast&Essential#, MakeItCool# (MTS, telecom)
 - **3. Business Drift in Values**
for Result, Best Customer Experience, Team, Continuous Improvement (Megafon, telecom)

Workers and managers have a vague idea about "ethics" or "ethical". Therefore, a good code should define "ethics" or "unethical"

No code explains this!

- Basic Ethical Values (Principles)**
- Typically, from 4 to 7 points
 - One exclusion: 39 principles, (Yandex, search platform)
 - Typically, there are definitions for each point
 - Exclusion: Lamoda, fashion online marketplace

The Name of the Document

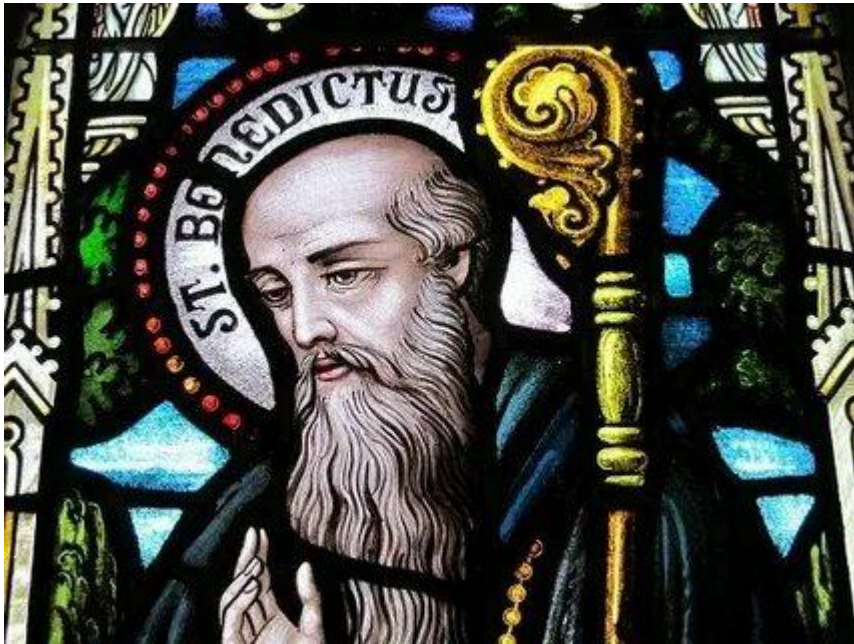
- Code of Ethics
- Code of Conduct
- Other variants
- **Corporate Constitution** (United Metallurgical Company)
- **The Book of Success** (HeadHunter, Online recruitment company)

Is Mission to be placed in the Code?

- In 5 codes out of 10 companies in IT industry
- 1 code out of 5 in automobile

- Is Mission Ethical?**
- Most missions are focused making life of customers better
 - Rare missions focus on pure ethics (happiness for all, Toyota)
 - Rare missions focus on sustainability (VW)
 - Rare missions focus on quality ("most wanted cars" Mercedes-Benz)

Rule of St. Benedict



To interpret the Code:
what would be better
from wisdom and goodwill
perspective and not what
must be and considered to
be right.