

# Cobb and Douglas Community Service Board Code of Ethics:

## An Applied Research Project

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### ABSTRACT

A Code of Ethics provides a guide for ethical decision-making and policy formation for key stakeholders. It also shapes organizational culture and allows for strong governance and ethical reasoning (BoardSource, 2010). This applied research project is a Code of Ethics for the Cobb and Douglas Community Service Board's Tod W. Citron Foundation. The research process included: interviews with key staff, a content analysis of best practices regarding nonprofit ethics, and a review of the literature. Secondary data from a survey of Cobb and Douglas Community Service Board members were also analyzed regarding decision-making, values, and ethical policies. From this research, a new code of ethics was constructed for agency use.

### Research Questions and Methodology

To guide the development of this project, the following research questions were addressed:

- What is the definition of a code of ethics?
- What function does a code of ethics serve?
- When does an organization utilize a code of ethics?
- How does the code of ethics strengthen a nonprofit governance?
- What are the design elements associated with the development of a code of ethics?

To answer the aforementioned questions, a mixed methods approach was utilized that incorporated both quantitative and qualitative data. The following is a brief explanation of the data collection methods used:

**Interview(s).** An initial meeting was held with James Stinchcomb, Director of Intellectual/Developmental Disabilities & Outpatient Services, on March 25<sup>th</sup>, 2016. During this meeting, areas of concern were assessed for the organization.

**Content Analysis of Organizational Documents.** Since there was no ethical code in place for the Foundation, an analysis was conducted of the Cobb and Douglas CSB and the Foundation's governing documents. This was completed by assessing the decision-making framework of the organization, the Foundation's values, and applying them back to the mission.

**Survey Research.** While conducting this research a quantitative approach to the research results was conducted using a survey. The instrument was based on how the organization determined the basis of its values and the priority. A standardized survey instrument in an online format (i.e., Survey Monkey) with 34 value definitions was created. Participants were asked to rank in order of what they thought was most valuable ethically at the core of Cobb County and Douglas County Service Board. Survey participants consisted of members of the board of directors and a few select staff.

The survey results were then integrated into the Code of Ethics. After the code of ethics was presented to the Cobb and Douglas CSB, the board will have to vote to adopt it and then disseminate the code both within the organization and publicly. The code of ethics has to be applied to all decision-making processes for the board and also by all stakeholders representing the organization.

### Overview of the Literature

For a code of ethics to be effective, current research repeatedly shows it must be put into practice (Ruiz et al., 2015). Research outlines these components as being a code of ethics, ethics training initiatives, and ethics-oriented performance appraisal. The relationship between these three components brings the code from being just a document to one that is put into practice, and recognized as having positive influence within the organization. The first of the three components should unsurprisingly be the code of ethics itself. The code itself can clarify expectations, establish consistent standards, and create a positive public image (Rhode and Pakel, 2009). Ethical codes are considered to be the framework for sound governance practices and are what holds the organization together. Ethics are important in illustrating ways of holding organizations as well as people accountable for actions and as a way of preventing future transgressions. A way of showing this is through self-regulation, which the code establishes. This, in turn, displays a legitimacy of the organization (Bromley, and Orchard, 2016). Ethical training, which is the second identified component, might perhaps be one of the more challenging aspects for a nonprofit, especially one that is strapped for resources; however, the need for proper training is demonstrated time and again across the body of research to be vital to proper implementation. Training helps establish a coherent and consistent message internally across all aspects of management, governance, and employees. The final component for positive ethical performance is regular performance appraisal. Here it should be stressed that while codes of ethics performance policies that were studied often contained punitive language, the research suggests that evaluations should not place the stress on punishment and controlling behavior, but is more effective when seen as a standard to rise to, and an expectation to meet (Ruiz et al, 2015).

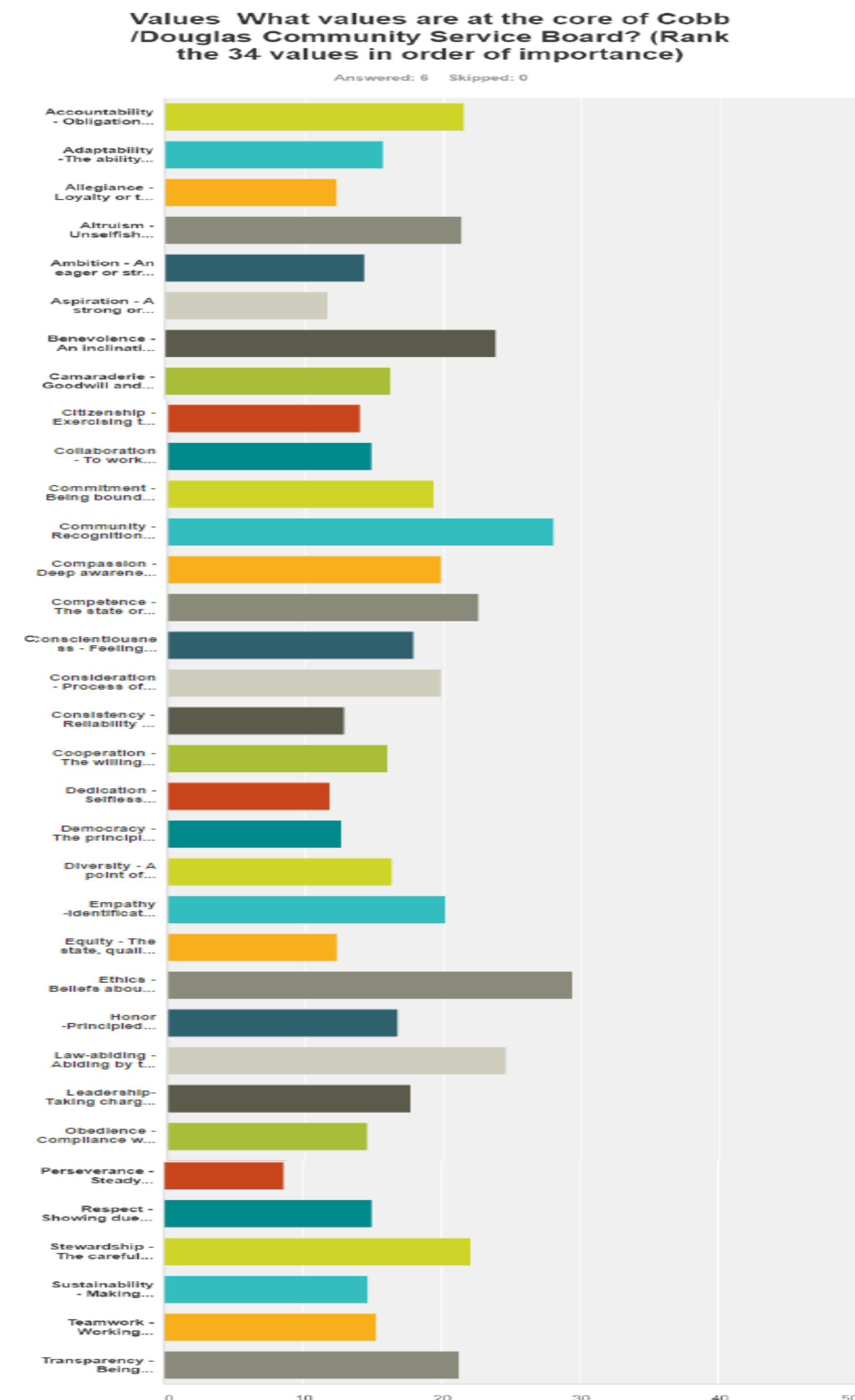


Figure 1 – Value Survey Results

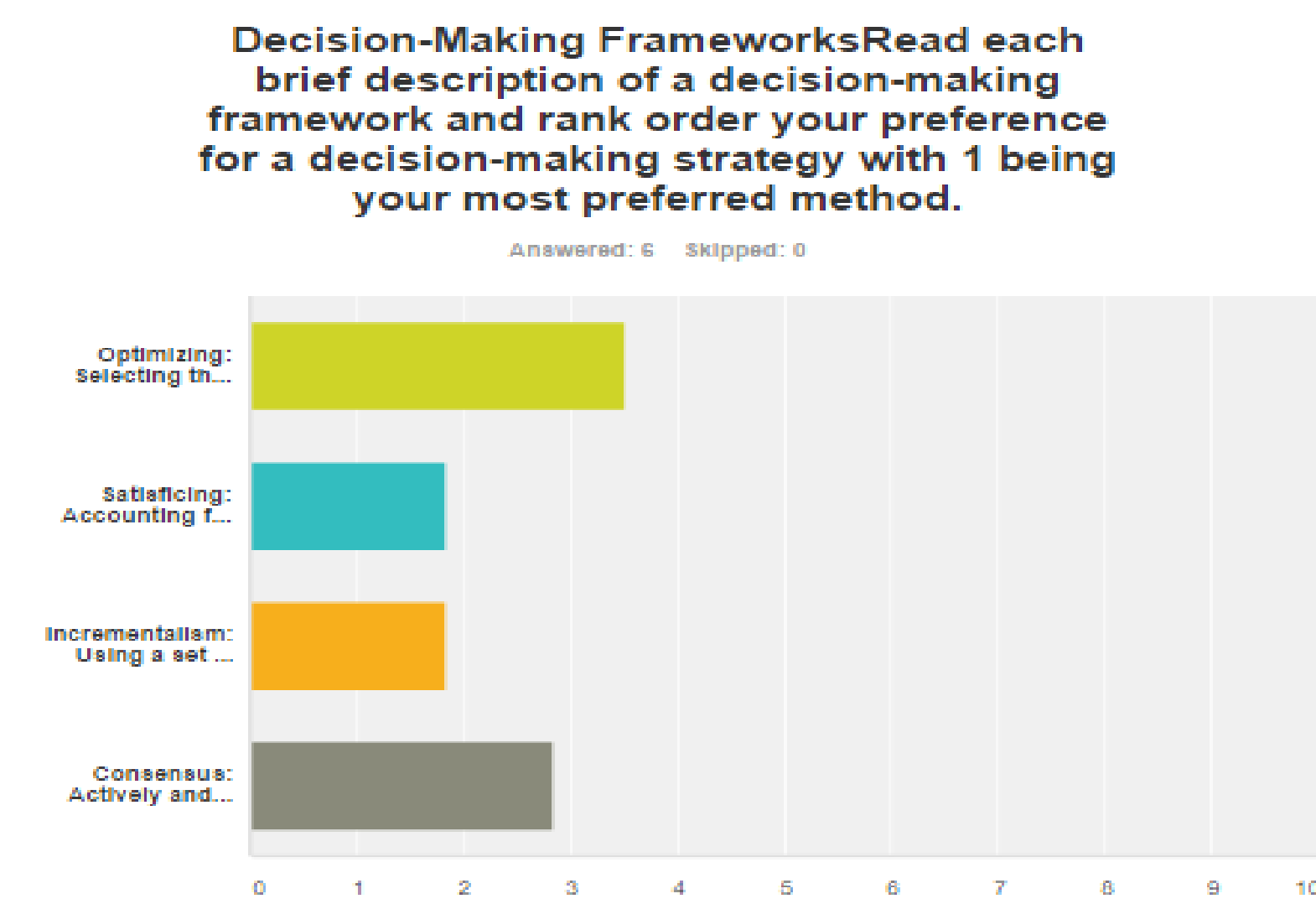


Figure 2 – Decision-Making Framework Survey Results

### Results

Survey participants consisted of members of the board of directors and a few select staff. The survey was confidential and anonymous. A total of 13 participants received the initial survey, of which only five responded for a 38 percent response rate.

Respondents identified as their top five core values to be: Ethics (29.33 percent), community recognition (28 percent), law abiding (24.50 percent), benevolence (23.83 percent), competency (22.50 percent), accountability (21.50 percent), transparency (21.33 percent), stewardship (19.83 percent), compassion (19.83 percent), and commitment (19.33 percent). The decision-making framework that was elected was Optimizing (3.5 percent). Optimizing is selecting the course of action with the greatest payoff, which means considering the relative value of every viable alternative through analysis of its costs and benefits. Satisficing (1.83 percent) Accounting for uncertainty and imperfect knowledge influencing decisions. It's more practical to aim for reducing uncertainty by following organizational practices. Decisions are rooted in arriving at an acceptable if not optimal outcomes.

**Cobb and Douglas Community Service Board Foundation Code of Ethics Oath**

As a member of the Board of Directors of the Cobb and Douglas Community Service Board Foundation, I agree to abide by this Code of Ethics and actively seek ways to strengthen it and the organization. I will consider this ethical code in all aspects of my current responsibilities and help others to also follow the code. I understand the need to apply the standards everyday within the organization and when representing the organization.

**The Cobb and Douglas Community Service Board Foundation Code of Ethics**

Board Members and staff agree to:

- Treat all personal information collected by the foundation as confidential and shall not be sold or disclosed to any third party without permission;
- Not accept compensation, gifts, donations, promises of future benefits, or any type of personal gain;
- Use all funds and resources acquired through fundraising activities will be for their stated intended purpose and will conform to the foundation's stated mission and purpose;
- Provide public education and policy advocacy while encouraging board members, staff, volunteers and stakeholders to contribute in public activities throughout the community;
- Ensure that the foundation's resource development activities coincide with its mission and policies while remaining respectful of donors (prospective and actual);
- Comply with federal, state and local laws, regulations, and fiduciary responsibilities;
- Remain compliant and transparent when conducting foundation activities;
- Ensure that the board of directors is comprised of a set of culturally diverse members who are representative of the community and understand the importance of inclusion and diversity;
- Adhere to the foundation's conflict of interest and whistleblower policies;
- Respect individual thinking and opinions by actively listening and engaging in foundation activities;
- Ensure that information regarding key stakeholders and donors is handled with confidentiality; and
- Honor all commitments and strive excellence.

Figure 4- Code of Ethics

**Code of Ethics Agreement**

I, \_\_\_\_\_, have received a copy and read the code of ethics for Cobb and Douglas Community Service Board Foundation. I fully understand that it is my responsibility to abide by the Cobb and Douglas Community Service Board Foundation Code of Ethics. I also understand that failure to follow the Code of Ethics will compromise my position on the board, as a staff member or a volunteer of the Cobb and Douglas Community Service Board Foundation.

Printed Name \_\_\_\_\_ Signed Name \_\_\_\_\_

Date \_\_\_\_\_

Reviewed by \_\_\_\_\_ Title \_\_\_\_\_

Date \_\_\_\_\_

Filed in personal file by \_\_\_\_\_

Figure 5 – Code of Ethics Agreement

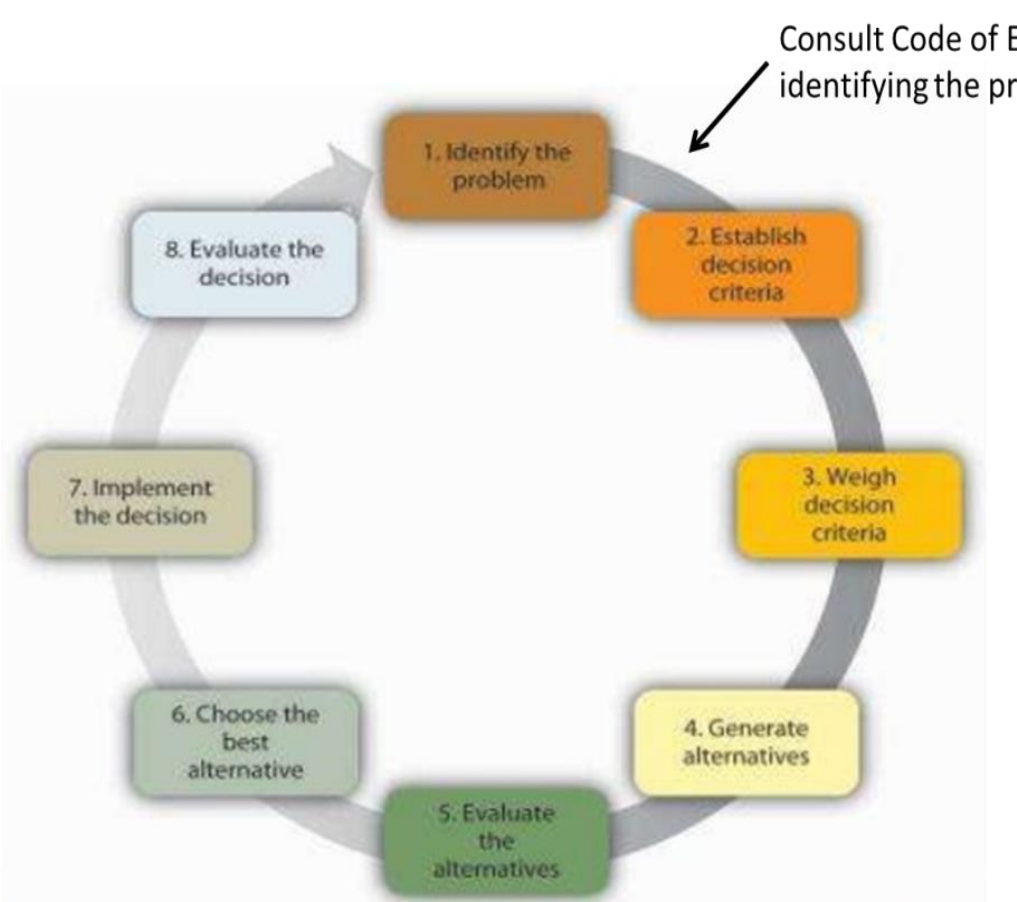


Figure 3: Decision Making Framework

### COMPETENCY APPLICATION

**Nonprofit Leadership Alliance Competency Area 6 - Legal & Ethical Decision Making:** *Highlights basic laws, regulations and professional standards that govern nonprofit sector operations, including a basic knowledge of risk and crisis management, ethics, and decision-making*

A code of ethics guides decision-making, ethical behavior, and accountability for management, employees, and key stakeholders. Through this accountability, financial oversight and the allocation of resources are supervised. In addition to the internal functions, the code of ethics also creates a contract between the service population and agency to ensure that best practices are implemented (Grobman, 2007). In doing so, a code of ethics is a way to personalize the organization, create shared values, and establish methods of control for instances that may arise. It guides the members, as well as the organization, through these ethical dilemmas. In turn, the code displays a legitimacy of created ethical standards.

A code of ethics was created using stakeholder input by conducting a survey. The results were then analyzed to determine highest ranking core values, decision-making frameworks, and both ethical and policy issues. From the research and the survey responses, the code of ethics for The Cobb and Douglas Community Service Board emerged.

**Nonprofit Leadership Alliance Competency Area 5 - Governance, Leadership & Advocacy:** *Highlights the stewardship and advocacy roles, responsibilities and leadership of the board of directors, staff and volunteers in the development of policies, procedures, and processes by which nonprofits operate and are held accountable*

The board goes beyond the legal requirements to ensure accountability to the community and all its stakeholders, as well as to ensure ethical principles are upheld in all its activities to fulfill its organization's mission. As stewards of the organization, board members act as fiduciaries of the organization's resources— both tangible and intangible. Board members advocate for their clients and the organization while being an asset to their community. Board members are also responsible for cultivating individual donors, funders and be ethically self-governing. It was recommended to the Cobb and Douglas Community Service Board (CSB) Foundation to vote and implement, as well as disseminate the code to all stakeholders and to post it publicly. Additionally, it was recommended, that the board apply the code of ethics in all decision-making processes on behalf of the foundation.

**Nonprofit Leadership Alliance Competency Area 10 - Future of the Nonprofit Sector:** *Highlights the dynamic nature of the nonprofit sector, the importance of continuous improvement, emerging trends and innovations, and the critical role research plays in shaping best practices.*

Since Cobb and Douglas Community Service Board (CSB) is a new foundation, it was important for the organization to raise the standards within the organization and look to improve the current ethical standards for the organization, community, and within the sector. For best practices, the project highlighted areas of risk that could potentially impact the need for stronger governance for the newly formed foundation. These policies included fundraising, gift acceptance, risk assessment, and financial internal control policies. In addition to implementing these policies, the board will need to evaluate the effectiveness for each of the policies within the first three months. These policies will need to be reviewed annually for changes to keep congruent with the organizations values, mission, and the growth of the foundation.

### Implications

For a code of ethics to successfully impact an organization, it must be embraced across an organization's hierarchy at all levels from the top down. This means bringing it to the forefront of the organization and handling it with care and seriousness that stresses its importance to the organization. Doing so requires it to be crafted to embrace the guiding values of the organization; for its importance and meaning to be explained through training at all levels of governance; and for the code of ethics to be periodically assessed and evaluated on a personal performance and organizational wide level.

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