Riverside County’s Credit Union
Code of Ethics

Statement of Purpose—Riverside County’s Credit Union is a member-owned, financial cooperative offering an array of depository, loan and other financial services to members and their families in Riverside County, California. All employees and management occupy a special position of trust in the Credit Union, its members and the community it serves. By acceptance of our respective positions, we have assumed fiduciary and legal responsibilities. These duties require us to conduct the affairs of the Credit Union with loyalty and without any conflict of interest, either real or implied. Everything we do, every decision we make is based on five (5) core values—respect, integrity, innovation, excellence and passion.

Therefore, we have a duty to ensure:

1. High standards of personal conduct at all times.
2. To uphold the laws, by-laws, rules, policies, and regulations relating to the operation of a credit union.
3. To guard against conflict of interest by the use of their Credit Union position for personal or financial advantage or special privilege.
4. To carry out the duties and responsibilities of the Credit Union position to the best of one’s abilities and to seek out and participate in opportunities to increase knowledge and skill.

Section 1.1—Responsibility to Members

1. To provide a high level of personal financial service in a courteous and professional manner and to treat all individuals fairly without regard to race, creed, national origin, sex, religion or social or economic level.
2. To protect the assets placed in our care and custody.
3. To practice and maintain high standards of sound management, including efficiency, integrity, and economy of operations.
4. To adhere to democratic and cooperative principles within the credit union and encourage and facilitate active member participation in this process.
5. To provide members with timely and accurate information regarding the financial condition, operations and services of the credit union and of their individual account transactions.
6. To preserve and protect the privacy and confidentiality of all member financial records and transactions. Disclosure of financial conditions or transactions will be made only with the written approval of the member, due legal process or in accordance with the law.
7. To abide by the letter, spirit and intent of state and federal consumer protection laws and regulations and to provide members with complete and accurate information concerning their rights.

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8. To increase knowledge and ability of members to manage and control their financial well-being through counseling and by providing educational information, materials and programs.

Section 1.2—Responsibility to Employees

1. To provide an environment that is free of discrimination. Harassment of any kind is strictly prohibited, including harassment on the basis of sex, race, color, religion, national origin, marital status, veteran status, sexual orientation, physical or mental condition or any other characteristic protected under federal or state law or local ordinances.
2. To provide equal access to employment opportunities in all of the operational areas in the credit union.
3. To provide a safe and non-threatening venue for employees to express concerns, without fear or retaliation about practices that may be questionable.
4. To treat each person with respect and maintain a high degree of integrity in any interaction.
5. To provide a safe working environment free of hazard or dangerous working conditions.
6. To increase knowledge and ability of employees through access to educational resources and funding.
7. To abide by the spirit, letter and intent of all state and federal employment laws and to provide employees with complete and accurate information concerning their rights.
8. To preserve and protect the privacy and congeniality of all employment records and interactions. Disclosure of any information internally or to other employees will be made only to those with a legitimate need or in accordance with the law.

Section 1.3—Responsibility to Community

1. To participate in community affairs as a responsible member of the society in which the credit union is a member.
2. To support and participate in programs that favorably affect the society, citizens and communities service by the credit union and, to the fullest extent possible, seek solutions to social problems and concerns.
3. To make credit union membership available to as many eligible people as possible.

Section 1.4—Responsibility to the Credit Union Movement

1. To promote and protect the best interests and reputation of the credit union movement and avoid and resist influences and practices that are detrimental to its existence.
2. To associate and cooperate with other credit union organizations to build a strong democratic movement for more effective service to members.
Commentary

A code of ethics is only as good as the commitment behind it. By putting code of ethics in writing, it becomes easier to establish a foundation that encourages ethical and moral behaviors. A work environment that fosters mutual respect, trust, honesty and integrity illustrates the benefits of having and living by a code of ethics. Without a code of ethics, there is no clear direction or expectation often leading to dilemmas in decision-making. These dilemmas often lead to poor service as well as difficulty in recruiting and retaining quality individuals.

A code of ethics requires that all individual, especially managers and leaders set the example of ethical behavior to cultivate an environment of trust and open communication. The long-term advantages of having a corporate environment that is based on sound principles of ethical behaviors are immense. An ethical work environment promotes increased communication about the dilemmas posed in an everyday environment. When there is trust, there is not a fear of retaliation and there is a sense of security in knowing that what is told in confidence will remain that way. When everyone is committed to the same set of core values, there is little room for unpleasant surprises.

A code of ethics also requires accountability. When there is a clear expectation of the type of behavior that is required, employees are more likely to take personal responsibility for their own behavior and performance. An effective code of ethics inspires and empowers individual to make the right decision without fear of reprisal. As well, individuals will take it upon themselves to get the job done, no matter what it takes. Productivity will increase and there is an atmosphere of energy, confidence and creativity.

To that end, all of our responsibilities coincide with the Statement of Purpose created by and for the employees of Riverside County’s Credit Union (RCCU):

RCCU empowers its people and releases their creativity and ambition. The way we do our jobs creates a positive RCCU experience to EVERY MEMBER, EVERY TIME.

Every individual in this organization understands the connection between what is done each day and RCCU’s success in its dynamic marketplace. Our roles, responsibilities, expectations and rewards are clear to everyone.

RCCU will thrive and grow by contributing to the lives of those being served. Everything we do to evolve our team will be consistent with improving the RCCU experience.
Responsibility to Members

The credit union exists to serve its members. Our members are our customers and they place their confidence and faith in the information we provide, as well as, entrust us with their financial assets. As such, we have an obligation to provide them with truthful and accurate information. As employees of the Credit Union, we have an obligation to ensure all transactions, whether depository or loan, are completed timely and accurately.

With the motto “Where People Come First” we are telling the public that we care about them as individuals. By having a set of share values that encompasses the beliefs and desires of the board, management and employees, each individual within the organization is encouraged and empowered to make decisions that are in the best interest of the entire membership. Respect requires that each person with the Credit Union treat every individual they come into contact with deference and esteem. It means listening to the needs of others and offering solutions, not excuses. Just as important as respect is integrity. Our responsibly to our members requires that we create an atmosphere of trust and honesty. Accuracy, knowledgeable staff and commitment to service quality all equate to excellence. Excellence in everything we do is what differentiates us from other financial institution. Lastly, having a license to be innovative, gives each employee in the Credit Union the right to provide solutions and make decisions that are consistent with the Code of Ethics.

Responsibility to Employees

The Credit Union exists for its members, but nothing would be possible without the employees. Employees are the credit union’s most valued asset. The Credit Union has a responsibility to its employees to provide an environment that fosters creativity and resourcefulness. Only through these mechanisms, will the credit union be allowed to prosper and thrive. By fostering an environment that is supportive and inviting, the Credit Union will be better positioned to take advantage of the unique skills and expertise of each person within the organization.

In return for its commitment to an inviting work environment, the Credit Union asks that each employee share in its core values and statement of purpose. We respect the difference that each of us posses and the value they bestow upon the organization. We respect and honor the position each person holds and recognize his/her importance to the future success of the Credit Union. The board and management are committed to providing an environment that is built on trust and honesty and committed to fair and equitable decision-making.

Creativity and imagination make innovation possible. Each person in the Credit Union is an individual. As such, there is not one solution or answer to the complex issues our employees face everyday, not only at work but in their personal lives. The practice of continually communicating our shared values and goals are necessary to

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our future together. Excellence in our positions allows us to deliver the same level of service to our internal members (fellow employees) as we do to our external members. Just as with our members, employees are entitled to excellence in everything we do—anything less is unacceptable. By holding each other accountable for our actions, employees are empowered to deliver the same service to each other as they are to the membership.

The Credit Union strives to provide an environment that is inviting and fun. Enthusiasm and pride are characteristics of our passion to excel and succeed. We derive pleasure from our success and learn from our mistakes. This passion is evident in our treatment of each other as well as all those with whom we come into contact.

**Responsibility to Community**

Riverside County’s Credit Union is a member of a larger world—the communities in which it operates and the lives of the people it serves. As active members in communities in which we live and work, volunteers, management and staff are dedicated to promoting the benefits of membership in a credit union. We believe in the benefits of involvement and feel we can make a difference when we support various community events.

We respect the needs of others and strive to be responsible members of our communities. As employees, we represent the Credit Union, whether at work or play. The Credit Union chooses to align itself with organizations that have similar core values and partners with companies and individuals that strive for excellence. Each of us contribute to our communities in our everyday life, through our involvement with our children’s schools or outside activities, our churches or synagogues, our involvement in charitable events and any other thing we do to improve the quality of life for someone we know or don’t know.

**Responsibility to Credit Union Movement**

Credit unions were founded on the basic principle of “People Helping People”. Based on this fundamental premise, credit union support and encourage the common person with a wide array of financial services. Through cooperation, credit unions work as together to continually improve the quality of life for the underserved.

As with everything else we do, the credit union is committed to treating others within our industry with respect and integrity. We are dedicated to working with others in our field to find innovative solutions to everyday dilemmas as well as reinforcing excellence in service quality and standards.

In the true spirit of cooperation, we will passionately pursue and assist other credit unions in their quest for excellence.

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Philosophical Justification

Aristotle advocates the idea that it is the individual, not the corporation that makes business ethics feasible. If the individual has integrity and virtue, only then is it possible for a company to have an environment that promotes sound moral behavior. Individuals must strive for excellence in everything they do to inspire others to do the same. As part of the larger corporate or company family, it is natural for individuals to align themselves with companies that have the same shared values. Robert Solomon was instrumental in explaining the Aristotelian Approach in today’s environment and stresses the importance of the role of the individual in the larger scope of the corporate world.

Individualism is often discounted in the study of ethics, even though individuals are the key to a company’s success. It is not only necessary, but vital, that individuals take responsibly for their own actions and be cognizant of the rights of others. Ethics and virtues go hand in hand. Solomon further defines virtuous ethics as those principles that take into consideration six components—"community, excellence, role identity, holism, integrity, judgment." We are all members of a larger community and it is incumbent upon us to exercise and promote mutual interests and cooperation. Business ethics should not be solely considered moral virtues, but having the desire to go above and beyond and excel in everyday activities.

As an individual in the larger community of the company, an employee must assume loyalty to his/her employer and be willing to adopt a certain level of excellence and conscientiousness that is beneficial for both parties. Integrity is the cornerstone of Aristotelian ethics and encourages individuals to abide by accepted rules within the organization but by no way assumes that a person must be willing to abandon his/her moral courage if the two roles come into conflict with each other. An effective code of ethics allows individuals to make judgment calls to resolve conflicts by weighing all aspects and concluding with a “fair” decision.

The last component of Solomon’s framework centers around the concept of “holism”. In other words there must be a full integration of personal and corporate moral beliefs. This does not mean that either the individual or the corporation must give in to the others beliefs. It means that there is a shared set of values—ethics. In the words of Albert Carr—“The virtues of business ethics are business virtues duty they are nonetheless virtues and the exercise of these virtues is aimed at both the bottom line and ethics.”

When the subjects of ethics and morality arise, so do the issues of profits. Robert Frank leads us in a discussion of the benefits of being socially responsible. While companies may face higher cost associated with the unwillingness to comprise its values and integrity, the long-term advantages are immeasurable. By standing its ground and not compromising its core values and ideology, a company can successfully, overcome problems associated with lack of commitment to its employee,
customer and other entities. Trust cannot be quantified and consumers are typically willing to pay more for products and services when an organization is considered “socially responsible”. Lastly, when a company lives by a strong moral fabric, it will experience advantages in its recruiting and retaining employees.

According to Lynn Sharp Paine, integrity governs ethics. An effective code of ethics rests on a foundation of integrity and is based on a strategy that emphasizes a set of core values. By adopting and living a code of ethics, the organization is better prepared to define its purpose for existence. When a code of ethics is integrity based and incorporated in the day-to-day operation of a company, it becomes the integral part of the culture with each person in the company taking responsibility for their own moral thought and action.

However, it is not enough to have a code of ethics if there is a disconnect between what is expected and what is communicated. It is important for management to elucidate the true meaning behind the words in the code and clearly communicates so as to minimize the likelihood of flawed decisions. It is management’s responsibility to assist employees in making decisions that are consistent with the organization’s culture and management philosophy.

Effective ethical codes literally become infused in the system and culture resulting in decisions that are consistent with the overall vision of the company. An integrity based ethical approaches seek to facilitate responsibility at all levels. Although primarily considered a management function, the development of a code of ethics must involve representative from all levels within the organization. By doing so, it then becomes possible to define the responsibilities and desires that make up an organization’s ethical compass.

Paine defines five (5) features that are common to success companies. First, the core values used to guide the organization are relevant and easily communicated. They become so entrenched in the organization’s culture that employees seek to find solutions that are commensurate with the organization’s intent. Secondly, managers and leaders within the organization become personally committed to the values they promote. By living the values, leaders demonstrate consistency and uniformity. Thirdly, the values become part of the everyday decision making process. This includes the development of goals and objectives, allocation of resources and performance measurement. Fourth, the structure of the company must coincide and reinforce its values. Lastly, the people within the organization must have the skills, knowledge and competencies to make ethical based decisions. Training is key in the development of this knowledge which will result in the skills needed to make the right choices.

According to Lisa H. Newton, a code of ethic can only succeed when there is a clear commitment to the encouragement of ethical behavior for the purpose of making the organization a better employer and citizen. Ethical codes and shared values must
also serve as the foundation for educational opportunities within the organization. It is imperative for everyone (top down) to be committed to a shared set of values and ideology. If a company wished to be successful, there must be willingness to be committed to and exemplify the behaviors defined in the code.

Conclusion

If constructed properly and with full cooperation, a Code of Ethics can be powerful in building a company culture that is committed to excellence through a commitment to shared values. By including everyone within the organization and clearing communicating the purpose, an organization will reap the rewards and benefits of superiority.

A Code of Ethics must be based on the core values of an organization. The management and staff of the organization must agree that these values will not be compromised under any condition. Combined with the Statement of Purpose and continuous communication, there is degree of certainty and assurance that every decision made will be consistent with true spirit of the organization.

Final Note: The Code of Ethics presented in the paper is primary designed to support the real estate lending business unit for Riverside County’s Credit Union. However, the department does not operate in a vacuum and is part of a larger, more diverse organization.
References used in the preparation of this paper:


Riverside County’s Credit Union (2000). *Employee handbook.* Riverside, CA.