

Development of a  
Code of Ethics for the  
Royal Nova Scotia Yacht Squadron  
MGT694 – Business Ethics

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**Abstract**

The Royal Nova Scotia Yacht Squadron (RNSYS) is the oldest yacht club in North America. It has developed into a multi-faceted facility that represents the growing interests of its membership. The club's governance and operation is guided by its constitution and by-laws. To support and capture the intent of the constitution and by-laws, a code of ethics has been developed. This report outlines the process and elements used to develop a code of ethics for the RNSYS.

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## 1 Introduction

The Royal Nova Scotia Yacht Squadron (RNSYS) is the oldest yacht club in North America, with origins in Halifax dating back to 1837. It has ties to Britain's royal family, with Queen Victoria approving the use of the "royal" prefix, and King Edward VII presented the club with its most treasured trophy, the Prince of Wales Cup, in 1860.

With a rich history and strong traditions, it has evolved through the years to its present form. The squadron's current facility consists of a boatyard, marina, mooring field, clubhouse with fine dining, swimming pool and recreational and social facilities. It also has a sailing school and aquatic instruction. The club has hosted numerous regional, national and international regattas. Squadron members have participated in sailing competitions around the world, including the Olympics and America's Cup competitions.

The Squadron has grown to consist of many facets representing the growing range of interests of its membership. These interests are: sailing and seamanship, sailing competition, cruising, aquatics, dining, social activities and community involvement. The Squadron also offers instruction in sailing, racing and aquatics for children and adults.

## 2 Why a Code of Ethics

The Squadron was incorporated under the laws of Nova Scotia and is governed by the Squadron's constitution and by-laws. The objects of the Squadron, as outlined by its constitution, are given as:

### **Article II – Objects<sup>1</sup>**

2.1 The objects of the Squadron shall be to encourage Squadron members to become proficient in the personal management, maintenance, control and handling of their yachts, in navigation, and in all matters pertaining to seamanship; to promote yacht building and sailing in Nova Scotia; to promote excellence in yachting and yacht racing; and to promote such other sports and social activities as may be desirable in the interest of Squadron members generally.

2.2 The objects of the squadron shall be carried out without the purpose of gain for its members and any revenues or other accretions to the Squadron shall be used in promoting its objects and not be distributed to its members.

The constitution and by-laws provide detailed rules. The code is intended to summarize and capture the spirit and intention of the constitution and by-laws,

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<sup>1</sup> Constitution and By-Laws of the Royal Nova Scotia Yacht Squadron, January 26, 2002

but not the detail and letter. The code will be a quick-reference-guide, outlining general guidelines for the stakeholders that reflect the principles and values of the organization.

The approach used to generate the code of ethics is to examine the structure of the organization, identify the stakeholders, create a list of core values and principles held by the stakeholders, and generate the guidelines for the stakeholders in accordance with principles and values.

The author has been a member of the Squadron since the early '90s, and is currently sitting on the board of management; as a result he possesses a reasonably good knowledge of the club's operations and management structure. Had this been an organization of which the author had no knowledge, meetings with the management would take place to gain an understanding of how the organization works. In addition, the creation of the stakeholder, values and principles, and the responsibilities lists would involve representatives of the organization.

The following steps have been taken while preparing the code of ethics:

1. An outline of the organizational structure was created, and a stakeholders list and values and principles list prepared.
2. These were submitted to the commodore, general manager and a member of the trustee committee, who is very knowledgeable about the Squadron's constitution and by-laws, for comment.
3. The organizational structure stakeholder list and values and principles list, were modified to incorporate feedback.
4. A list of responsibilities was prepared.
5. The responsibilities list was presented to the trustee committee member to ensure that the intent and spirit was captured, and that there were no conflicts.
6. After some minor changes a draft of the responsibilities list was presented to the commodore and general manager for review. Their feedback has been incorporated into the responsibilities list presented in this report.

### 3 Organizational Structure

The following organizational structure is in place to facilitate the interests of the membership:

**Board of Management** – Comprised of elected volunteers from the senior membership as set out in the constitution, the board sets policy and guidelines that govern the club's operation.

**Management** – lead by the general manager, consists of a team of managers that employ full-time and seasonal part-time staff members to incorporate the policies set forth by the board.

The management team is divided into the following areas:

**Administration** – Responsible for all administration of the Squadron’s activities.

**Boatyard and waterfront** – Responsible for the boatyard storage facilities, marina and mooring field operations, and the workboat fleet.

**House and Grounds** – Responsible for the operation and maintenance of the clubhouse, grounds and pool.

**Dining** – Includes the operation of the Squadron’s dining and food services operations (with the exception of the Spar Loft, a separate banquet facility that is operated by an outside vendor)

**Pool** – Includes the supervision, daily maintenance and instructional activities of the pool facility.

**Sailing** – Includes the operation of the sailing school, including the management of the fleet of boats used, and the operation of the Squadron’s racing management team.

Each of these sectors, with the exception of the volunteer board of management, consists of paid full-time and part-time employees, and is guided by a volunteer committee, headed by a board member.

In addition to these sectors, the membership plays a dual role:

1. Members are customers of the club, who pay a yearly fee and additional service fees for the various services the club offers, such as boat storage and sailing school fees.
2. Senior members are also shareholders; however they do not receive dividends (remember, this is a non-profit organization).

## 4 Define the Stakeholders

**RNSYS Stakeholder** – A broad definition of a stakeholder is any group or individual who can affect or is affected by the RNSYS.

The following groups are RNSYS stakeholders:

- Staff
- Board of Management
- RNSYS volunteer committees
- Members
- Guests
- Sailing/boating community
- Commercial/military shipping
- Community - Purcell’s Cove Road/Armdale, HRM, Northwest Arm, Halifax Harbour
- Contractors, suppliers

## 5 Define Core Values and Principles

The following are values and principles held by RNSYS stakeholders:

- Respect (of other’s privacy, opinions, property, rights etc)
- Sportsmanship (adherence to rules of sailing, fair play, etc)

- Honesty (open communication of public matters)
- Co-operation (helping others, working as teams to achieve common goals)
- Fairness (fair and equitable treatment of individuals)
- Enjoyment (foster an environment of fun and enjoyment)
- Accountability (being accountable for one's actions)
- Confidentiality (keeping private information private)
- Safety (safety for one's self and other individuals and property)

## **6 Define Stakeholder Responsibilities**

This code of ethics is intended as a guiding set of responsibilities, to reflect the spirit and intent of the club's constitution and by-laws. It does not replace any part of the RNSYS constitution and by-laws, or any civic, provincial or federal laws.

### **6.1 Member Responsibilities**

- Members will address issues and problems through proper channels and procedures as outlined in the by-laws. Members will not belittle staff members; they are to express issues to the manager on duty, the general manager, or a member of the board of management.
- Members will act in a respectful manner to other members, staff, management and volunteers.
- Members will strive to foster a fun and enjoyable environment for all members, and their guests.
- Members will employ fair play, sportsmanship and safety when competing in Squadron regattas and competitions, and when representing the Squadron at events outside the club.
- Members will not act in a manner that will result in personal benefit at the expense of other members.
- Members will ensure competency in the handling of their vessels, so as not to endanger themselves and others within the boating community.
- Members will employ safe practices when tending to the maintenance and storage of their vessels and equipment both in the water and ashore, in accordance with the club's boatyard and waterfront policies.
- Members will adhere to the government regulations in place at that time, particularly regarding boating safety, harbor traffic, environmental and occupational health and safety regulations.

- Members will act within the by-laws of the club.
- Members will be accountable for their actions, and the actions of their guests, that are contrary to the Squadron's constitution and by-laws.

## **6.2 Board of Management Responsibilities**

- The board of management (the board) will govern, to best of their ability, in accordance with the Squadron's constitution and by-laws, and applicable government laws and regulations.
- The board will strive to nurture an environment of fun, enjoyment, safety, respect, fairness and equality, in keeping with the objectives of the constitution.
- The board of management will be accountable to the membership.
- The board will represent the interests of the membership majority in accordance with the Squadron's constitution.
- The board will act fairly in their dealings with the membership, management and staff.
- The board will strive to communicate honestly, clearly and effectively with the membership.
- Board members will not use their position for personal benefit at the expense of the membership.
- The board will, when representing the Squadron in dealing with other organizations, conduct themselves in a manner that does not reflect unfavorably on the Squadron.
- The board will provide management and staff with the support required to carry out the board's directives.

## **6.3 Management Responsibilities**

- Management will ensure that staff is provided with a safe and friendly working environment, and in accordance with occupational health and safety regulations.
- Management will ensure that members and their guests are provided with friendly and safe facilities.
- Management will guide their staff to follow-through on the direction provided by the board of management.

- Management will ensure that Squadron subcontractors are treated professionally and fairly.
- Management will ensure that sub-contractors operate safely and responsibly.
- Management will, when representing the Squadron in dealing with other organizations, conduct themselves in a manner that does not reflect unfavorably on the Squadron.
- Management will be accountable to the board of management.

#### **6.4 Staff Responsibilities**

- Staff will provide equal and fair treatment to all members, showing no favoritism, but with regard to the membership categories in place at that time.
- Staff will act in a respectful manner to members, other staff, management and volunteers.
- Staff will act in accordance with the government regulations in place at that time, particularly regarding boating safety, harbour traffic, environmental and occupational health and safety regulations.
- Staff will, when representing the Squadron in dealing with other organizations, conduct themselves in a manner that does not reflect unfavorably on the Squadron.
- Staff will be accountable to the management.

#### **6.5 Other Responsibilities**

- Members, management, staff and the board will exercise confidentiality regarding personal information. Member and staff information and membership lists, such as found in the member handbook, shall not be used for commercial purposes.
- Volunteers will not use their positions as volunteers for personal gain.
- All members and staff will strive to offer help and encouragement to fellow members and staff to achieve the common objectives of the Squadron.

## 7 Observations

The following are some general observations made while creating the code of ethics:

- It is necessary to put a positive spin on the responsibilities. The code should not be a list of “thou shalt not.....” Instead, each responsibility should be expressed in a positive sense – “members shall ...”
- There is a grey area between the generalizations of the ethical code and the detail of the constitution and by-laws. There exists no absolute dividing line between the two. Each organization can define how detailed they want their code to be. Perhaps they do not have a set of by-laws, and require the code to be more toward the detailed side. With the RNSYS, the code tends toward generalization, but with some detail emphasized where required.
- A general, all encompassing list of responsibilities does not address the unique relationship that exists between the stakeholder groups. For example, members of the board of management are also club members. It is therefore important that it is recognized that board members shall not use their position to further their own interests as members, but to consider the good of the membership majority when making decisions.

## 8 Distribution

The code of ethics developed as a result of this project will be presented to the Squadron. It is unclear how they wish to implement this code. However, the following methods of distribution are suggested:

1. Including a copy of the code as a section in the club’s constitution and by-laws.
2. Posting on the club’s website, and announcing it in one of the frequent information emails sent out to the members, along with a link to the website.
3. Including a copy in the membership handbook that is distributed each year.
4. Announcing the adoption of the code in the monthly newsletter, and including a copy.
5. Providing a copy in the annual member information mailout.

## 9 Acknowledgements

Appreciation is expressed to the following individuals who provided information and feedback during the preparation of this report:

Dr. Peter Stirling, Commodore, Royal Nova Scotia Yacht Squadron

Star Ferguson, Club Secretary and Trustee Committee member, Royal Nova Scotia Yacht Squadron

Joanne Williams, General Manager, Royal Nova Scotia Yacht Squadron

## **10 References**

In the process of compiling the RNSYS Code of Ethics, the following resources were consulted:

- Perspectives in Business Ethics, 3<sup>rd</sup> Edition, Laura P. Hartman – McGraw-Hill/Irwin
- Constitution and By-Laws of The Royal Nova Scotia Yacht Squadron, January 26, 2002
- Neptune Theatre Foundation Board of Governance Principles, January 2004
- Royal Colwood Golf Club, Governance Policies, January 2005
- Hamilton Golf and Country Club, Limited, “Governance Process” Board Policies, January 2005.
- Royal Nova Scotia Yacht Squadron website:  
<http://www.rnsys.com/Welcome.html>