

ETHICAL CODE AS A TOOL FOR DEVELOPING RESPECT FOR MORAL VALUES

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Abstract

This paper discusses the ethical code development at the Faculty of Economics of the Technical University of Liberec and presents the ethical code designed by students as a tool for developing respect for moral values. The objective of the paper is to show the process of the ethical code development focusing not only on its content but also demonstrating the participation of the students in its design so that the code reflects their own moral values and rules. The paper concludes that while students contributed to the development of the ethical code, the initiation of the development process, implementation and revisions of the ethical code is a primary responsibility of the faculty management. It is also a responsibility of the faculty management and the academic staff to encourage students to use the ethical code as a tool for developing respect for moral values and engender a more positive ethical climate at the faculty.

Introduction

There is no doubt that the main objective of companies is to make profit efficiently. However, without following ethical values this would be just short-term success. Unethical behaviour would eventually lead to the loss of trust and respect of stakeholders. To define responsibilities of companies to stakeholders, companies state their major ethical values and principles in their ethical codes. Although ethical codes, also called codes of conduct, business principles, codes of ethics and corporate ethics statements were used by some companies in the USA in the 1920's, the use of ethical codes increased dramatically in the 1980's and 1990's following the savings and loan scandals [1, p. 35]. Paradoxically, the scandals lead to a higher interest in ethics in both private and public sectors as well as in academic and business research [3]. Consequences of unethical behaviour and unfavourable perceptions about organizational performances push companies towards more devoted and increased attention to ethical issues [2]. In recent years, ethical codes have become more common globally and are one of the tools used to build and maintain ethical competencies. A study conducted eleven years ago indicated that 53 percent of the largest companies in the world had an ethical code [6]. Other study showed that 100 percent of American Fortune Global 200 firms, and 80 percent of European firms had a code [7].

Ethical codes appeared in the Czech Republic after the Velvet revolution in 1990's mainly as a result of the entry of foreign companies. The need for ethical codes was given by ethical problems that appeared in the transformation period from a centrally planned to a market economy [4]. To improve business environment, business or professional ethics had to become a vital part of not only companies and organisations but also education [10]. Business ethics has been incorporated into study programmes in schools and universities. What is more, ethical codes are widespread among institutions in private and public sectors. Some universities have developed their ethical codes as well.

This paper discusses the ethical code development at the Faculty of Economics of the Technical University of Liberec (FE TUL) and presents the ethical code designed by students as a tool for developing respect for moral values. The objective of the paper is to show the process of the ethical code development focusing not only on its content but also demonstrating the participation of the students in its design so that the code reflects their own moral values and rules.

1 Ethical Code

Ethical code is a document that states major philosophical principles and ethical values, describes conduct expected of employees and sets the ethical parameters. It is a key strategic document that guides employee behaviour and managerial decisions by articulating the company's values [11]. According to Erwin, a formal ethical code is "a common tool of corporate social responsibility employed by companies to establish and communicate responsible business practices and an ethical organizational culture" [5, p. 535]. Ethical code establishes standards by which behaviour is judged appropriate to the company. Of course, ethical code alone does not guarantee ethical behaviour and ethical problem solutions. Instead, once established it can help to focus and maintain high levels of professionalism and personal conduct [2].

Reasons for having an ethical code vary. Some companies write their ethical codes in order to reflect their important ethical values and culture in their organizational decisions and behaviour. However, some companies use ethical codes rather as formal documents to boost their ethical appearance and public images. Ethical codes differ in length and mission statements. Codes can range from one paragraph to over fifty pages [11, p. 35], from abstract (philosophical-ethical position) to specific (detailed ethical practices) [8, p. 259]. Mission statements articulate the objectives of a company and express what ethical standards and values should be pursued. It has been observed that ethical codes differ across countries and continents. Kaptein identified differences among North American, European and Asian ethical codes [6]. European codes were found to concentrate more on environment and less frequently on government and customer relations than American codes. The concept of honesty appeared more frequently in American codes whereas fairness was found more often in European and Asian codes. Studies in the 1990s revealed that ethical codes focused mainly on illegal activities and employee misconduct and paid little attention to the environment, product quality and safety. Codes were used to protect and defend companies against unethical behaviour by employees and did not provide ethical guidance and vision [11].

Attention has been also devoted to the relationship between ethical codes and ethical behaviour. Findings from empirical studies are mixed. Studies show that codes can be effective under certain conditions. Codes are effective when they are readable, relevant and written in a positive tone. According to Stevens and Buechler, ethical codes must be supported by the management and authentically integrated into the organizational culture [11]. However, communicating the code, involving employees in the code development and instructing them on its content are critical to the effectiveness and success of the code [1], [9], [12]. Effectiveness of an ethical code depends also on channels of communication. It was proved that communicating an ethical code downward from management to employees often leads to the code being ignored or rejected by employees. That means that ethical codes can fail and be ineffective when they are poorly communicated, they are not aligned by ethical behaviour and actions of managers or if they are rejected by the culture of an organization. For these reason, special attention and care should be devoted not only to the content but also to the process of ethical code development. The contribution of each employee in the creation of the code of ethics is very important because during this phase individuals identify

themselves with the future code of ethics. Only then the code of ethics can successfully determine the standards of ethical behaviour, since in this case employees do not perceive it as a dictation "from above". By being involved in its creation, the code of ethics reflects rules that are their own. Because the life of the company is continuously defined by numerous changes, it is advisable to revise the code of ethics once a year and verify whether and how it helps employees to go through all the organizational changes.

2 Methodology of Ethical Code Development

Any corporate Code of Ethics should build upon the values professed by all members of the organization. Due to this prerequisite, the whole development of the Code of Ethics becomes a challenging organizational issue. The team entrusted with the task of assembling the Code needs to find a way to involve as many members of the organization as possible. The usual procedure consists of combining different methods and techniques of creative teamwork.

The core of every Code of Ethics is fundamentally created by moral values that are shared by the majority of members of the given institution. Therefore, as a first step, the responsible team should prepare a questionnaire in order to determine the most significant moral values. In general, the questionnaire contains twenty predefined moral values along with a scale allowing the respondent to specify the significance of the individual values for him, or even add additional values.

The questionnaire with a specified deadline of submission should be then distributed in such a manner that it reaches every individual in the organization. Processing of the questionnaire will reveal five values the members of the organization believe in the most. It is recommended that in the next step using the so-called focus group techniques the employees are asked to make interpretations of the determined values, usually in the form of brainwriting. Every employee of the selected group describes what each of the chosen values means specifically to him. At this stage, values collected across the entire organization are again reconnected with individuals on a subjective level. Based on the brainwriting and a group discussion, a mind map capturing the interpretations of the fundamental values is made.

The responsible team will then, from all the mind maps, create a comprehensive one including also the interpretations of fundamental values that will subsequently be presented at an organizational meeting providing the employees space to comment on the presented values. Only after the discussion and review procedure, the Code of Ethics in the form of a mind map with its interpretation may be printed and delivered to each employee. When hiring new employees it is important that part of the admission interview also includes questions concerning the company ethics with the aim to determine whether the job seeker is able to fulfill its principles. In processing the applicant's admission, signing the current Code of Ethics should be part of the initial hiring agenda. The final step of the creation of a Code of Ethics lies in its presentation to the public, especially to customers.

3 Student's Code of Ethics

The Student's Code of Ethics of the Faculty of Economics of the Technical University of Liberec was created by students in the third year of a bachelor's program during the classes of Business Ethics and Business Ethics in the European context. During the process of making the Student's Code of Ethics the same methodology as described above was applied, except that the core values were obtained only by brainwriting without using mind maps. The attributes of moral values generated by students' brainwriting and their frequencies are shown in Table 1.

Tab. 1: *Student's Attributes of Moral Values*

Attributes of moral values	Frequency	Attributes of moral values	Frequency
Self-realization/self-discipline	29	Benevolence	2
Responsibility	24	Being go-ahead	2
Reliability	23	Being helpful	2
Integrity	22	Being resolute	2
Truthfulness	19	Ability to act	2
Creativity	17	Conscientiousness	2
Punctuality	14	Deference	2
Constructiveness	13	Assertiveness	1
Honesty	11	Being yourself	1
Justness	9	Maintain order	1
Respect	8	Empathy	1
Decisiveness	8	Communicability	1
Decency	8	With an interest	1
Being pro-active	5	Enthusiasm	1
Intelligence	5	Willingness to learn	1
Independence	5	Thoroughness	1
Intellectuality	4	Being friendly	1
Diligence	4	Ability to express oneself	1
Autonomy	4	Teachable	1
Tolerance	4	Success	1
Determination	3	Own ideas	1
Appropriateness	3	Helpfulness	1
Self-assertiveness	3	Perseverance	1
Introspection	3	Curiosity	1
General overview	3	Truth	1

Source: Own

The above listed students' moral values were further analyzed and aggregated according to their content, significance and character into five categories representing student's core moral values. Summary of the identified fundamental values and the frequency of the attributes that fall within the appropriate category are displayed in Table 2.

The students were asked to interpret via brainwiring the above described values with regard to the individual attributes and explain what they mean to them, how they understand them and how the values fulfill the essence of ethical behaviour. Each group prepared a document containing their interpretation processed as a textual summary of the core values respecting the moral conduct and behaviour of students with one another and with the academic staff. These Codes of Ethics were subsequently presented and discussed by the students in group meetings. Findings and remarks that emerged from the discussions were taken into account when assembling the final Student's Code of Ethics of the Faculty of Economics of the Technical University of Liberec. In the introduction to the Code of Ethics, there is a preamble comprising students' commitment to the ethical behaviour and a value consensus:

„Education represents a basic human value as well as a means of exploring the world itself and acquiring universal moral principles. Technical University of Liberec provides education to students regardless of their race, nationality, origin, gender, age, family, sexual orientation, physical and cultural differences or religion. This Code of Ethics formulates the basic ethical principles of conduct and behaviour of students of FE TUL. It is based on the free expression of opinion and on the freedom of individual communication. We, the students, are committed

to compliance with this Code, which is based on an investigation of our values. Our shared values include Trust, Relationships, Personal Development, Freedom and Creativity.”

Tab. 2: Moral Values as Defined by Students

Moral values	Frequency of moral value attributes	Moral values	Frequency of moral value attributes
Trustworthiness:	61	Freedom:	27
Responsibility	24	Respect	8
Reliability	23	Decency	8
Punctuality	14	Tolerance	4
Relationships:	53	Appropriateness	3
Integrity	22	Deference	1
Truthfulness	20	Empathy	1
Honesty	11	Friendliness	1
Personal development:	51	Helpfulness	1
Self-realization	29	Creativity:	19
Independence	5	Creativity	17
Pro-activeness	5	Own ideas	1
Diligence	4	Curiosity	1
Determination	3		
Enthusiasm	2		
Willingness to learn	2		
Perseverance	1		

Source: Own

The characteristic of the core values representing standard moral principles of student conduct and behaviour is stated below:

3.1 Trust

By fulfillment of promises, reliability, punctuality, respect and dignity for ourselves and each other, we develop our credibility and thus contribute to building trustworthy relationships with our colleagues, teachers and other members of the academic community. We realise that the ability to create, nurture, provide and restore trust with all interested partners is a key competency to achieve social changes.

3.2 Relationships

Mutual trust gives us a sense of security and reliability for an open communication, without which it is not possible to have teamwork in harmony and achieve effective synergies. Only in an environment of mutual trust and tolerance can we develop our potential. We prove our loyalty to the University by refusing any kind of dishonest conduct in the learning process and beyond, and by safeguarding its reputation with responsible attitude to study with excellent results. In the premises of the University and in public we behave considerately and use sophisticated language, thereby we contribute to the development of social culture, as expected from an intelligent person.

3.3 Personal development

The academic environment provides a unique opportunity for the development of the personality of each one of us. It is up to our free choice, how we seize it. We were given the chance to develop purely professional knowledge and also the capability to use our freedom, take responsibility for the consequences and subject professed values to higher moral

principles and conscience. By harmonizing all types of intelligence we achieve integrity of our personality. Committed learning attitude and dedicated effort to achieve integrity results in the recognition that none of us is determined by the circumstances but that we determine ourselves. When we reach this level of thinking and realizing ourselves, we can be proud of ourselves and the University that led us, students, to this goal.

3.4 Freedom

The academic ground offers us, students, a plethora of stimuli for freedom of choice and decision-making. We learn to reconcile the consequences of our own free choice with moral principles that are universal, i.e. culturally and geographically unlimited, while timeless and unchanging. These behavioural principles are honesty, fairness, kindness, respect, integrity, favour and contribution. The recognized values that are unwritten social rules govern our behaviour; however the consequences we judge by moral principles. As students we learn to subject the values to principles in accordance with our conscience and take the responsibility for our actions and behaviour.

We do not make any emotional or other pressure on academic staff in order to gain advantage, we do not approve any plagiarism or cheating, we do not appropriate the results of intellectual or manual work, which was created by someone else – we respect the copyrights.

3.5 Creativity

Trusted relationships between students enable a relaxed atmosphere and encourage free generating of ideas and their sharing. We apply our own ideas and opinions in solving various assignments and situations, and we are able to defend them. We are curious and we seek opportunities to develop our creativity. Through perseverance we develop our ability to highly concentrate, which is the essence of creative thinking and originality.

Conclusion

Once the Faculty of Economics has decided to have an ethical code, there were two possibilities: to take an appropriate ethical code that already existed or to develop a new one that would reflect the moral values and rules of its students. The advantages and disadvantages of both approaches are clear. The development of a student ethical code was a very important task requiring time and careful thought of all involved in order to fulfill its purpose. The code was developed in an open, participative environment involving as many students as possible. Participation of the students in the process of the ethical code creation was very important simply because during this phase students could define their values and identify themselves with the future code of ethics. After being involved in the code's creation, students do not perceive the code as a dictation "from above" but as the code that reflects their own rules. Along with other formal and informal ways of communication and ethics education, it is likely to yield greater awareness among the students about the ethical code and its importance, and their greater commitment to the values of the ethical code.

It should be noted that while students contributed to the development of the ethical code, the initiation of the development process, implementation and revisions of the ethical code is a primary responsibility of the faculty management. It is a responsibility of the faculty management and the academic staff to encourage students to use the ethical code as a tool for developing respect for moral values and engender a more positive ethical climate at the faculty. It should also be stressed that ethical behaviour involves more than the use of the ethical code. It includes an ethical tolerance determined primarily by personal values and the

climate where the moral values support ethical behaviour. This way the ethical code can be perceived as a holistic concept rather than as a set of prescribed ethical obligations.

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ETICKÝ KODEX JAKO NÁSTROJ PRO VYTVOŘENÍ RESPEKTU VŮČI MORÁLNÍM HODNOTÁM

Článek se zabývá procesem tvorby etického kodexu na Ekonomické fakultě Technické univerzity v Liberci. Prezentuje etický kodex, který byl vytvořen studenty jako nástroj pro respektování jejich morálních hodnot. Cílem článku je ukázat proces tvorby etického kodexu, který neklade důraz pouze na obsah kodexu, ale také demonstuje zapojení studentů do jeho tvorby tak, aby kodex reflektoval jejich vlastní morální hodnoty a pravidla. Článek poukazuje na to, že zatímco tvorba etického kodexu byla iniciativou studentů, jeho zavedení do praxe a průběžná revize je primární záležitostí vedení fakulty. Je úlohou vedení fakulty a akademických pracovníků, aby podněcovali studenty k užívání etického kodexu jako nástroje pro vytvoření respektu vůči morálním hodnotám a vytvoření pozitivnější etické atmosféry na fakultě.

DER ETHISCHE KODEX ALS EINES INSTRUMENTES FÜR DIE SCHAFFUNG DES RESPEKTS FÜR MORALISCHE WERTE

Der Artikel befasst sich mit dem Prozess der Bildung des ethischen Kodex an der Wirtschaftsfakultät der Technischen Universität in Liberec. Der ethische Kodex wird vorgestellt, der durch Studierende als ein Instrument erstellt wurde, der ihre moralischen Werte respektiert. Das Ziel des Beitrags ist den Prozess der Schaffung eines ethischen Kodex vorzustellen, den nicht nur den Inhalt des Kodex betont, sondern auch die Beteiligung der Studierenden in ihre Schaffung so vorstellt, dass der Kodex ihre eigenen moralischen Werte und Regeln widerspiegelt. Der Artikel weist darauf hin, dass Studierenden bei der Schaffung des ethischen Kodex beteiligt waren; jedoch die Initiative einen ethischen Kodex zu schaffen, dessen Umsetzung und die kontinuierliche Anpassung ist die Hauptaufgabe der Fakultätsleitung. Es ist die Aufgabe der Fakultätsleitung und wissenschaftlichen Mitarbeiter, die Studierende zur Anwendung des ethischen Kodex als eines Instrumentes für die Schaffung des Respekts für moralische Werte und für die Schaffung einer positiveren ethischen Atmosphäre an der Fakultät anzuregen.

KODEKS ETYCZNY JAKO NARZĘDZIE BUDOWANIA SZACUNKU DLA WARTOŚCI MORALNYCH

W artykule omówiono proces tworzenia kodeksu etycznego na Wydziale Ekonomii Uniwersytetu Technicznego w Libercu. Przedstawiono kodeks etyczny opracowany przez studentów będący narzędziem mającym zapewnić poszanowanie ich wartości moralnych. Celem artykułu jest pokazanie procesu tworzenia kodeksu etycznego, który skupia się nie tylko na jego treści, ale wskazuje również na udział studentów w jego tworzeniu, co miało na celu, aby kodeks odzwierciedlał ich własne wartości i zasady moralne. W artykule wskazano, iż w tworzeniu kodeksu etycznego uczestniczyli wprawdzie studenci, jednak inicjatywa stworzenia kodeksu etycznego, jego wdrożenia do praktyki i regularnej weryfikacji wyszła ze strony władz wydziału. Zadaniem władz wydziału i pracowników akademickich jest zachęcanie studentów do stosowania kodeksu etycznego będącego narzędziem do stworzenia szacunku wobec wartości moralnych oraz kształtowania bardziej pozytywnej atmosfery etycznej na wydziale.