ON THE ROLE OF ETHICAL AND PROFESSIONAL CODES IN BUSINESS SECTOR

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ABSTRACT
The paper provides the reader with an analysis of the main features of present day philosophical perspectives onto ethical and professional codes, as this is usefull in order to set up some requirements for a proper issuing of these codes. The main point is to understand the status of these codes and to supply ethical and meta-ethical benchmarks that have two goals: to help the authors of codes to properly state limits for the ethical approach and to give an insight into the rules for setting up an adequate structure of ethical and professional codes.

KEYWORDS: *ethical code, professional code, responsibility, applied ethics, morality*

1. INTRODUCTION

Debates regarding the social responsibility of economic agents seem to have seriously changed the perspective of people onto business and economics. As profit can no longer be the sole objective of economic activity, a new power seems to be rising: morality in business. As such, the ideas related to it are barely a century old – despite the claims of some experts regarding the existence of moral rules in business from the beginning of human history. As a relevant bias onto economics and business, one must accept that a systematic and elaborate tool for businesspersons called business ethics exists since no more than one hundred years.
The main objective of the present paper is to identify the main functions of ethical codes in business sector, according to the opinion of business ethics experts. The subjacent method is bibliographical research, preceded by a selection of relevant literature. The main requirement for a scientific paper to qualify as relevant is to have a moral philosophy bias, and not merely a practical concern. It is the belief of this paper's author that applied ethics should rely on an adequate philosophical approach – despite the fact that applied ethics provides managers and CEO-s with appropriate tools for decision making process.

2. STATING THE PROBLEM

There seems to be a natural bias of the human being to join systems that provide more degrees of freedom and less restraints. If so, then another set of rules and regulations that adds up to the existing one within an organization is unlikely to attract followers or stir enthusiastic attitudes. Reaching the private sector organization, the case seems to be even more intriguing: provided that a rational agent joins a private organization in order to have advantages that exceed those she/he previously had, then a new system of rules seems to be even less welcomed. Probably the most generous moral doctrine for businesspersons – enlightened self-interest – refers to limiting the expected benefit, but still accepts that private interests are the engine of economic activity. As such, new restraints are not a good news. An ethical or professional code looks like a set of rules – it would be a very easy task to

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complete the syllogism. The question that arises is as follows: are these moral codes systems of rules that provide restrains for rational agents' activities? And, of course, a corollary question: what is the real nature and role of ethical and professional codes in private sector? Are they tools used by decision-makers in order to direct, stop or sanction employees' actions within a private organization or is it something deeper involved into the case?

3. WRAPPING-UP PRESENT DAY APPROACHES

The basic concept when it comes to the nature and role of moral codes seems to be an increased care for the clients or consumers – as beneficiaries of the results of economic activity. Given these circumstances, vulnerability seems to be the key-concept (Velasquez 2014, 339). The very necessity of ethical and professional codes seems to have its origins here, mainly because the client or consumer lacks the necessary expertise to properly evaluate an economic product or service, within the process of making an informed decision on the market. Ethical and professional codes are, therefore, extra-tools for society meant to control de activity of economic agents on the market and to ensure the protection of the vulnerable customers. Still, two challenging questions are in order: a. Why should a new set of rules apply if there is no essential difference and it would provide society with just a better way to control economic agents – to put it another way, why is there a need of a new concept if there be just a quantitative difference? 2. Developing and refining restrictive tools has as an effect an increase in human society cohesion, or merely a refinement of tools to avoid the rules? If people understand and agree onto the fact that law is a system of rules legitimately imposed onto the person by an outer authority, while ethics springs from the depth of human conscience, then how is it possible for ethics to be taken over by society and used for restrictive purposes only? Would it be better for ethics to be an educational tool which uses only as a last option restraints and coercion? Secondly, is making appeal to human consciousness efficient for social reasons if it relies upon an aggressive insight into human conscience? If legal rules are not effective, how could the moral ones be, if one equates them – since there seems to be a natural bias of rejecting rules that tend to reach the deeper layers of human consciousness? It seems only reasonable to accept the essential difference between legal and moral rules and to assign the adequate role to both. Secondly, it is unlikely to stir people's enthusiasm (as adhesion or love of an idea, as the ancient Greeks would have said) by becoming more and more restrictive. Legal rules have limits of applicability – beyond these limits social authority has to stop, while moral authority has to start working. Forcing rational agents to take upon themselves some goals would prove ineffective for the case, while ethics and professional ethics have a strong chance – as morality could be defined as human capacity of acting according to rules that have a superior origin (superior to radical selfishness). Therefore, at least at a procedural level, the ways of inserting ethics into society or professions should be peaceful and aimed towards building a strong moral stance of the agent and, as a final solution, towards punishment.

Still, educating and punishing should have an up-down orientation – this could be the only way individuals accept moral "enforcement". And there are at least two reasons for this: at first, an individual could never be submitted to another one (the age of master-slave is long gone) unless there be a moral benchmark. Secondly, one cannot leave morality at the mercy of desires and aversions, although those were considered as origins of the moral codes of society (Snoeyenbos & Humber, 1999, 27). Furthermore, it is unlikely to find answers to the questions above if the ethical and professional codes be endowed solely with a contractual value (Dunfee & Donaldson, 1999, 49). Contracts could be taken as results of interest-based negotiations that rely onto desires and aversions, while systems of ethics have indeed a contractual origin, but, at the same time, must embed the very human capacity of taking superior imperatives as guidelines for behavior. Contracts are merely bindings; ethics and professional codes are bindings which spring from the very rational agents' conscience – they can and will be accepted as attachments to inner systems of morality. Furthermore, it is important to note that professional codes have a double bias – since their acceptance relies upon

an existential decision (as peculiar as it seems, choosing the field of activity is an existential decision) and upon a moral one. Professional codes have their foundations into a general code of ethics, but are applied to a certain layer of specialized labor (Machan, 1999, 90).
If this be so, then imposing an ethical or professional code less to do with rebukes, suspension or elimination of people from organizations, as a large number of authors seem to believe (see, for instance, Abdolmohammadi & Nixon, 1999, 170). Continuous moral training or permanent spreading of ethical awareness could be more effective tools to morally educate and guide rational agents. Managing ethics seems to be a harsh, yet useful task for an economic agent, mainly if morality is no longer a liability, but an asset. Furthermore, "code of conduct" proves to be a better way to describe all types of ethical codes, as all types of ethical codes rely upon general ethical provisions, but are not general recommendations. On the contrary, they provide economic agents with conducts that pertain to an ideal moral agent, but are as such examples to be followed, and not abstract moral concepts. It is, in fact, conduct that links philosophical moral systems to reality. Following an ideal ethical conduct proves that accepting moral responsibility is possible. This is why ethical and professional codes should not be obeyed, but followed – as they are the hallmarks of human activity and human professions, respectively. Besides, these codes are responses to social calling – and, as all experts in applied ethics know, social responsiveness of the economic agent is indeed a challenge. This is why ethical and professional codes should be given their rightfully-owned place within strategic management plans of the businesses – as bearers of the social mission and vision of the economic agents.
All of the above pretty much wraps up the moral features that are relevant for the matter. The shared perspective seems to be as follows:
- Ethical and professional codes are set of rules with an administrative relevance for the economic agent
- Ethical and professional codes must be imposed on a large part of the stakeholders, as if they were part of social, legal, and economic sets of rules
- Ethical and professional codes are meant to draw some lines which are meant to prevent conflicts among rational agents
- Ethics and professional codes are meant to provide decision-makers with tools that help them straighten up the deviant behaviors

3. POSITIVE BUILDING OF ETHICAL AND PROFESSIONAL CODES

What could be the very nature of ethical and professional codes? To answer this question, one must at first note that ethical and professional codes in organizations are the representatives of a new type of ethics – that which no longer relies on the idea that the sole bearer of morality is the individual, but accepts and supports group agency as morally relevant. The nature of this approach is not under inquiry in this paper; still, it is relevant especially in the case of private sector, as extreme individualism and radical selfishness are higher dangers.
This makes possible a second remark – one challenge of ethical and professional codes is to provide economic agents with ways to integrate individual morality into group morality, respecting agency and the status of all involved rational agents. This is the reason why the use of the word "enforcement" is not adequate, as in the case of legal rules. It is integration that can do the job: integration of individual moral systems into the system of values accepted by the economic agent and integration of the system of values of the economic agent into the social system of values. All ethical and professional codes should let stakeholders know how they solve this two-ways task – the code becomes this way a bridge among relevant social agents.
Last but not least, ethical and professional codes should reach the fundamentals. These are not just an exotic appendix, meant to gain some capital for further profits. They are indeed a proof for the acceptance of the social role of the economic agent or of the guild. Moral codes are meant to provide

a structure for the organizational climate (Carroll, 1999, 150). They have the role of explaining and encouraging proper conduct. Besides, one must consider that all human actions (by action understanding intentional movements that follow from a process of deliberating and deciding) are morally relevant, but also morally generated: human action is indeed oriented towards some good, as Aristotle states in the beginning of his *Politics* (https://socialsciences.mcmaster.ca/econ/ugcm/3ll3/aristotle/Politics.pdf).

4. WAYS TO RESHAPE ETHICAL AND PROFESSIONAL CODES

In order to fulfill their tasks, ethical and professional codes must be in such a way issued as they prove their role for economic activity. To do so, there are more ethical and meta-ethical requirements that should be respected.

Meta-ethical:

-Coherence of construction
- Relevance for the business or guild
- Convergence with the main goal of a business
- Convergence with the goals of stakeholders
- Completeness – they should cover all possible cases
- Statement regarding the founding moral theory
- Statement regarding integrate morality (group agency) and individual morality

Ethical:

-Definitions of moral concepts
- Statement regarding the nature and role of ethical and/or professional code
- Statement regarding moral values, norms and imperatives
- Moral principles and the explanation of their maximal character
- Proper distribution of responsibilities
- Ways to prevent conflicts and ways to help management solve conflicts
- Ways of boosting or enhancing moral conduct
- Objectives of proper moral conduct and their convergence to the objectives of the business or guild
- Guidelines regarding interpretation and moral authority
- Provisions regarding continuous moral education

The last of the ethical requirements may seem somehow inappropriate for an ethical or professional code – but this, together with the idea of self-control and self-monitoring (Abdolmohammadi & Nixon, 1999, 164) could be of a great help for managers or social leaders and should therefore be emphasized by these codes.

As for the functions of ethical and professional codes, these could be as follows:

-Support function
- Structural function
- Motivational function
- Integrative function
- Restrictive function

Requirements and functions could be altogether explained and could serve the purpose of determining the adequate status of ethical and professional codes for business and guilds.

Thus, the first five meta-ethical requirements pertain to the support function of these codes. There is no direct impact on the business or guild – merely some conditions that ensure the sound functioning of the codes and help avoid disputes. Secondly, these are also meant to determine the supportive role of the ethical code and to limit objections regarding the fact that ethics acts like a hindrance for business or guilds – at least when it comes to profits.

The last two meta-ethical requirements have a structural role, together with the first four ethical ones. They are meant to shape the mind-set of a large part of stakeholders – mainly regarding the

philosophical commitments of the business or guild. The last of the meta-ethical requirements refers also to the integrative function.
The next four ethical requirements pertain to the motivational function and have a significant psychological and cultural bias. It is likely that they be the most difficult task for the expert – as the differences among moral agents are significant.
The next ethical requirement refers to the restrictive function of ethical and professional codes, while the last one is related to the integrative function.
It is the opinion of the present paper's author that although the restrictive function of these codes should be the last within the hierarchy of applicability, it also brings about the highest risks, mainly because it offers the economic agent or guild power over individuals. Besides, the open character of moral interpretation leaves a lot of space for moral mistakes or exaggeration. Therefore, when issuing an ethical or professional code, the counselling of an expert in moral philosophy is of the highest importance because of two reasons: interpretation and authority should be adequately understood and applied; moral blame has a direct and deep impact onto human personality, provided that individuals have deep and serious moral commitments (this being exactly the premise and goal of these codes).

5. CONCLUSIONS

A debate upon the role of ethical and professional codes in private sector (mainly businesses and guilds) is indeed a debate about the way ethics influences present day societies. It is the implicit statement of this paper that organizational ethics represents a new type of ethics – extended ethics – that considers group agency as a reality. Codes, on the other hand, are not merely tools to increase profits, but also for integration of the classical morality bearer into a group that indeed has moral agency. This is a new type of approach and a new and unexplored field for morality – be it philosophically or practically approached upon. As ethics has a substantial and on the long term influence onto human society, it is the belief of the present paper's authors that research and application in this field should be carefully conducted, as a careless approach could have unexpected and large-scale negative consequences.

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