The Institutionalization of Ethics and the Role of Human Resources in Ethical Behavior in the Public Sector

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Abstract

In order to identify the ethical peculiarities of human resources management in the public administration, we studied the specialized literature, as well as documents published by international and European bodies. The research method used is qualitative, the techniques used are information gathering, analysis, interpretation, synthesis, induction and deduction. The research aimed to explore ethical practices in business, how human resources can contribute to increasing ethics as a whole at the level of a company or a public institution.

With the help of the questionnaire, I was able to analyze structured data resulting from the information obtained from the people employed in the central public administration.

The result of the study is the following: at the level of the central public organization, the institutionalization of ethics is in an open transition process aimed at both the individual and the organizational level.

Key words: management, code of ethics, institutionalization of ethics, ethical evaluation questionnaire
J.E.L. classification: M50, L32

1. Introduction

Every system, at all levels, depends heavily on human resources to implement strategies. Maintaining and improving standards is only possible through the ethical behavior of the people involved. The lack or poor management of human resources within the public system reduces the performance of the public system, regardless of how much is invested in other resources. The major premise of human resource management in the public sector is determined by the effectiveness and morality of managers.

Data on ethics institutionalization activities in the central public system are limited. As a rule, indicators regarding the ethical performance of human resources in public administration focus on the results of questionnaires and the code of ethics.

No single indicator can capture the complexity of implementing ethics at all organizational levels. The challenge that this research report aims to answer will consist in researching the particularities recorded in the management of human resources in the public system.

2. Theoretical background

The ability to recognize and deal with complex business ethics issues has become a significant priority in 21st century organizations. Financial crises always have an impact on consumer trust in organizations that provide financial services. The object of study of business ethics is aimed at obtaining answers to the question of whether the practices of the organization (in relation to all interested parties in its activities) are acceptable. Business ethics exceeds the legality of actions,

taking into account not only compliance with all normative acts that regulate the organization's activity, but also with some principles, values, rules acceptable from an ethical or moral point of view by society. By its very nature, the subject of business ethics is controversial and there is no universally accepted approach to solving its problems.

Starting with the second half of the 20th century, the specialized literature undertook an examination of the role of business in society (Carroll, 1999). At the heart of this trend has been a particular emphasis on the ethical dimensions of business (Crane and Matten, 2010) and the responsibilities of an organization towards its stakeholders, not only towards shareholders (Freeman et al., 2010). Researchers studying these approaches have done so both conceptually and empirically, but the concepts and approaches related to business ethics and corporate social responsibility are still changing and highly contested in the literature (Crane et al., 2008).

At the same time, managers developed practices, including those related to business ethics, social responsibility, and corporate governance within their organizations. There are many reasons organizations care about applying these practices: reducing costs, mitigating risks, gaining legitimacy, gaining competitive advantage and creating new value (Weller, 2016). In addition, Trevino and Weaver (2003) stated institutional pressures, including industry standards, regulations and norms are the primary motivation for the organization to implement strategies in these areas, but managers are the decision makers regarding the practices that are created and implemented. In large multinational companies, practices have been embedded in different parts of the organization, with ethics being especially connected to the legal function, and social responsibility practices being especially connected to the marketing department, human resources department, or operational departments. Scholars and managers have recommended aligning these practices within companies (Petry, 2008), but there is little empirical research exploring the impact of alignment or the reasons why it has not become a common practice within organizations.

The evolution of a business organization is based on a strong ethical code and code of conduct that are developed to guide both management and employees in day-to-day activities and strategic decisions (Stevens et al., 2005). Business ethics supports the development of ethical human resource practices, which will lead to the establishment of a system of shared values that channel, shape and direct ethical behavior in the workplace.

3. Research methodology

As part of the research, we explored ethical practices in business, how human resources can contribute to increasing ethics as a whole at the level of a company or public institution, approached on four main research axes:
- theoretical level research of the relationship between business ethics and human resources, and their role in the implementation of business ethics;
- establishing a methodological framework for researching the relationship between business ethics and human resources, and their role in the implementation of business ethics;
- the evaluation of the dimensions of business ethics within organizations in Romania;
- the empirical investigation of the direct relationship between business ethics and human resources and of the moderating variables involved in indirect relationships.

In large multinational companies, the practices have been embedded in different parts of the organization, with ethics being particularly linked to the legal function and social responsibility practices being particularly connected to the marketing department, human resources department or operational departments. Researchers and managers have recommended the alignment of these practices within public companies as well (Petry, 2008), but there is little empirical research that explores the impact of alignment or the reasons why it has not become a common practice within the public sector.

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practices that will lead to the establishment of a shared value system that channels, shapes and directs ethical behavior in the workplace.

The indicators of the ethical performance of human resources in public administration focus on the results of questionnaires and the code of ethics.

No single indicator can capture the complexity of implementing ethics at all organizational levels. The challenge that this research report aims to answer will consist in researching the particularities recorded in the management of human resources in the public system.

Three levels of ethical standards can be identified: normative acts, organizational policies and procedures and employee moral standards. Normative acts define for society those actions that are allowed and those that are not. The law only sets the minimum standard of behavior. At the same time, actions that are legal may not be ethical. Therefore, simply obeying the law is insufficient as a guide to ethical behavior. Organizational policies and procedures serve as guides for employees in making day-to-day decisions. Employee moral standards are defined by the position employees take when faced with a situation that is not regulated by law or organizational policies and procedures. A company's culture can support or undermine its employees' concept of what constitutes ethical behavior (Peter, 2021).

4. Findings

For many readers the article will form the basis for evaluating the ethical knowledge of respondents in the organization. The wording of the questions must be clear, concrete, follow the grammatical rules and be as short as possible, also using an open question.

Even if the majority of respondents consider such research useless, the human resources department reinforces the idea that compliance with moral rules improves the organization's image.

Due to the absence of data, a situation of ethical management cannot be outlined in most organizations in Romania. In order not to make unfounded assumptions, I will instrument the present research that integrates ethical concerns. Based on the proposed questionnaire, I will test the state of affairs of ethical management within the group. The number of responses will be significant to draw relevant conclusions about the ethical organizational culture.

The existence of an ethics department within the group confirms the fact that there is an ethical, reactive organizational culture, consistent with openness to moral issues. A professional approach, by the group's specialists, indicates the stage of evolution of ethics in the organization.

As mentioned by Mitchell, 2021, I believe that the advantages of ethical behavior in business include the following aspects:

1) achieving customer loyalty, a pool of loyal customers being one of the keys to business success. If customers believe they have been treated unfairly, they will abandon the organization's products or services. Also, a company's reputation for ethical behavior can help it create a good image in the market, which can bring in new customers.

Conversely, a bad reputation for unethical dealings affects the organization's chances of getting new customers. Dissatisfied customers can spread the word about their negative experiences with the organization's products or services.

2) retention of talented employees, because talented employees demand to be fairly rewarded for their efforts and performance. Organizations that are fair and honest in their employee relations will attract and retain the most talented individuals in the market.

3) ensuring a positive work environment, given that ethical employees are perceived as employees who work in and for the team, rather than as competitive individuals. They develop fair and honest relationships with colleagues, and supervisors trust them encouraging involvement and empowerment.

4) avoiding issues bordering on legality in order to maximize profit, such as completely disregarding environmental regulations or labor laws, ignoring worker safety hazards, or using poor quality materials in making their products. In addition to penalties that can be severe, the resulting negative publicity can cause long-term damage to a company's reputation that can be even more costly than attorneys' fees or fines paid.

Although the respondents declaratively recognize the importance of ethical issues in their companies, they still reject the professionalization of ethics management ("we can do it too") and reject (sometimes very firmly) the introduction of any ethical management tools.

As far as morality is concerned, 99% of the people interviewed consider that the issue of immorality is very important, because it is appreciated that compliance with ethical rules increases trust in the public administration (Figure 1).

Figure no. 1 The importance of morality

■ moral ■ immoral

Source: Questionnaires

Regarding the current state of ethical standards that ensure transparency and challenges related to corruption, 85% of the people interviewed considered corruption the main problem of public administration (Figure 2).

Figure no. 2 The ethical standards

other
15%

corruption
85%

■ corruption ■ other
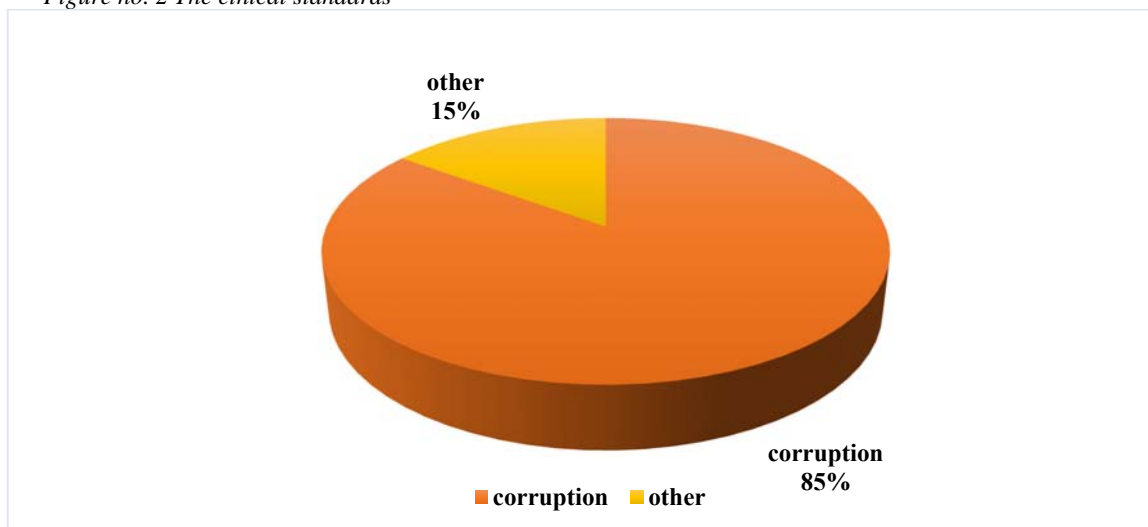
Source: Questionnaires

Corruption prevention strategies:
1. Government transparency and accountability:
- Free access to public information.
- Public budgets open and audited by independent institutions.

2. Legislative measures:
- The adoption of strict anti-corruption laws and their enforcement.
- Creation and support of independent institutions for investigation and prevention of corruption (eg: DNA, ANI);

3. Institutional reform:
- Digitization and automation of public services to reduce human interaction (reducing opportunities for corruption).
- Reducing bureaucracy and simplifying administrative procedures.

4. Education and awareness:
- Civic education and anti-corruption campaigns.
- Introducing ethics and morality courses in schools and universities.

5. International partnerships:
- Collaboration with international organizations, such as Transparency International and the UN, to implement global anti-corruption standards.
- International conventions such as the United Nations Convention against Corruption (UNCAC).
    For a better implementation of ethics in Romania, I propose a greater involvement of civil society, non-governmental organizations and the media in promoting a culture of integrity and transparency.

5. Conclusions

    Institutionalizing ethics is a big challenge for developing countries. In this sense, we carried out exploratory research of the specialized literature, as well as of the documents issued by international and European bodies whose object is the institutionalization of ethics and the role of human resources in the public sector.
    The originality of the research consists in approaching ethics in the organization from the perspective of human resources, the main stakeholder that contributes to the implementation of ethical behavior. In order to outline an ethical and moral profile of the manager in Romania, I discovered that ethics should be part of everyone's education, so that it then becomes a primary instinct. Business ethics supports the development of ethical HR practices, which will lead to the establishment of a system of shared values that shape and guide ethical behavior in the workplace. The institutionalization of ethics in business is a necessity that is at the beginning of the road in our country, but a sustainable economic evolution requires the integration of ethics at all levels of a structure.
    The challenge that the research paper aims to answer consists in evaluating the level of knowledge of the staff in the public system regarding the activity of ethical counseling, avoiding situations of incompatibility/conflict of interests, evaluating integrity incidents.

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