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UNNECESSARY AND POINTLESS INTRODUCTION OF A CORPORATE ASPIRATION CODE OF ETHICS IN SOME CASES

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***Abstract:** Many articles and scientific studies on codes of ethics, their division and various uses have been written. In our study, we also focus on codes of ethics, but we will not be interested in their effective use. We focus on situations where codes of ethics are unnecessary, meaningless, or even harmful. On the fitted examples, which can certainly be confronted with the fact that they find their parallels in real situations, at least in the basic features, we show the possible uselessness or harmfulness of ethical codes in some versions. By no means do we say that codes of conduct are meaningless or harmful in general. We only claim that there are cases in which their entire creation and implementation is unnecessary. There are even cases in which it would be better for at least some of the directives of the code of ethics not to exist at all. We think that the introduction of a code of ethics is far from justified in every case in which it has taken place.*

***Key words:** code of ethics, code of ethics, introduction of code of ethics.*

НЕПОТРІБНЕ І БЕЗГЛУЗДЕ ЗАПРОВАДЖЕННЯ В ДЕЯКИХ ВИПАДКАХ ЕТИЧНОГО КОДЕКСУ КОРПОРАТИВНИХ УСТРЕМЛІНЬ

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***Анотація:** Написано багато статей та наукових досліджень щодо етичних кодексів, їх поділу та різноманітного використання. У нашому дослідженні ми також зосереджуємось на етичних кодексах, але нас не цікавить їх ефективне використання. Ми зосереджуємось на ситуаціях, коли етичні кодекси є непотрібними, безглуздими чи навіть шкідливими. На підібраних прикладах, які, безперечно, можна зіткнутися з тим, що вони знаходять свої паралелі в реальних ситуаціях, принаймні в основних ознаках, ми показуємо можливу непотрібність або шкідливість етичних кодексів у деяких версіях. У жодному разі ми не кажемо, що кодекси поведінки безглузді чи шкідливі взагалі. Ми лише стверджуємо, що є випадки, коли вся їх створення та впровадження є непотрібними. Є навіть випадки, коли було б краще, щоб принаймні деяких директив етичного кодексу взагалі не було. Ми вважаємо, що запровадження етичного кодексу є виправданим далеко не в усіх випадках, коли воно має місце.*

***Ключові слова:** етичний кодекс, етичний кодекс, запровадження етичного кодексу.*

JEL Classification: H 500, O 380.

Formulation of the problem. Codes of ethics are now widespread, including in some socialist countries (such as China) (Lampton 2021). As a rule, they contain general requirements not only for the procedure, but also for the integrity and personality of the employees concerned (Budayová, Bursová 2016). Business and managerial ethics recognize different types of codes of ethics.

Analysis of recent research and publications. T Gaumnitz and Lere already recall the following fact: “if researchers wish to systematically examine, classify, categorize, or in some way process codes of business ethics using the scientific method, they need to be able to more clearly communicate about codes of ethics, both among themselves and to others” (Gaumnitz and Lere 2004, p. 332).

Separation of previously unresolved parts of the overall problem. Their division has two types of categories. The first type of categorization of codes of ethics is the breakdown according to the area they cover. In this respect, we divide codes of ethics into corporate, industry and professional. A corporate code of ethics is a type of code that is valid in a particular company. It is closely linked to one business entity. Another category is the code of ethics, which is intended for a specific industry, e.g. food, franchising and the like.

Purpose of the study. We can also perceive them as codes of interest associations and interest groups. The professional code of ethics, in turn, means recommended patterns of behavior compacted in a small space, which are a guide in a certain profession. In this way we can state that “probably the oldest version of the professional code of ethics is the Hippocratic Oath, which has

been translated since the 5th century p. n. l” (Remišová 2000, p. 218).

Basic material. There is another type of categorization of codes of ethics. He divides codes of ethics into aspiration, education and regulatory. "Certainly it is necessary to distinguish between the ideal state and the real possibilities we have." (Polačko 2020, p.60). The Aspiration Code means a description of the ideal state that should occur. This is an expression of the sollen plane, to which the sein plane should adapt. The Aspiration Code of Ethics can be characterized as a code of value. Such a code has the opportunity to outline standards of desirable behavior. This will require a relatively high degree of self-regulation, as this type of code does not prescribe specific rules or sanctions for non-compliance. There is a very broad autonomy of interpretation. The Code of Education is a bit more specific. It contains well-defined instructions with precise interpretation and description. The regulatory code seeks to translate the sollen plane into concrete rules. It contains the requirements in the specific elaboration into the rules. We could also call the code of conduct a code of ethics based on compliance with specific rules. Clear and predetermined patterns of behavior with relatively strict rules can help in those sectors where deviations from fixed patterns can cause problems. This is the case, for example, in banking. Here, it is appropriate to set out relatively precise patterns of behavior, as well as the sanctions associated with their violation. It is worth recalling that in practice we also encounter a mixed form of codes, where there may be a code with aspiration declaration of contracted values, but at the same time it contains desirable patterns of behavior, or even sanctions that result from violating the models. We call this type the educational code, as it also has an explanatory component, which at the declarative level deals with the authoritative values of the code, as well as a specific component with patterns of behavior.

As they say in the classic Robin and Giallourakis article today, the organizational codes of ethics are: 1. very different; 2. often similar; 3. not connected with ethics; 4. perceived as an important tool for fostering ethical conduct; and 5. not very effective in a broad ethical sense (Robin and Giallourakis 1989). There are many advantages as well as disadvantages to implementing different types of codes of ethics. In this study, I am trying to prove that there are many situations where a company's code of ethics either makes no sense or can even be harmful. This is generally not the case. In many cases, we can speak of similar results as reported by Adams, Tashchian and Shore: "Employees in companies with an ethics code also gave higher ratings of company support for ethical behavior, reported higher levels of satisfaction with outcomes of ethical dilemmas, more frequently reported being encouraged to behave ethically, and felt somewhat less pressure to behave unethically than respondents from companies without an ethics code" (Adams, Tashchian and Shore 2001, p. 207). As stated by many authors, e.g. Remišová, the code of ethics can also be associated with disadvantages.

They are e.g. disadvantages associated with a professional code of ethics. Remišová makes the following reservations: their excessive generality and vagueness, weak effectiveness of declared standards without sanctions, are too directive (Remišová 2011, p. 223). It is unclear who should be delegated to establish a professional code of ethics or who may lay down the sanctions associated with it. There is a problem with ethical diversification, where every semi-profession and specialization need its own code of ethics. This threatens ethical disorientation, as one job position can permeate a range of codes of ethics. Like Remišová, Zecha points out that by using too much professional codes of ethics, one becomes accustomed to thinking about ethical issues autonomously (Zecha 1999). On the contrary, in the case of creative companies, any behavior of employees is tolerated, while "the decisive criteria will only be quality, originality and the resulting effect" (Hvizdová, Polačko 2020, p.34), which also leads to strengthening the tendency to solve ethical problems (Gaffová and Šatanová 2020).

Remišová also points out possible shortcomings related to their implementation at the level of company codes. According to the mentioned author, corporate codes of ethics run the risk of misunderstanding why they are constituted in the content as they are, which is a potential for further misunderstandings. The author points out that, although the codes are formulated by the board, the ethics committee, the human resources department and the like, "neither the board nor the various committees are often considered to have the specific right to define what is and what is not morally correct" (Remišová 2011, p. 215). According to Remišová, codes of ethics often point to morally harmful behavior, but they do not state the moral basis of desirable patterns of behavior. Finally, the limited scope of the Code can deal with moral principles only at the general level (Remišová 2011, p. 216). These are actually comments on the implementation of corporate codes of ethics.

The real institutionalization of codes of ethics can be a real problem. Their creation on the basis of company codes does not require direct knowledge of the creators of philosophical ethics

and metaethics, knowledge of applied ethics will suffice (Ambrozy 2020). This may not be enough for professional and industry codes. Internal standards, rules, and codes of ethics alone do not guarantee that the resulting actions and decisions will be ethical. The system needs to exist and work. Mokrišová states that "today's world operates on the principle of information, the basic goal of which is to obtain important information first and then gain benefits from this step" (Mokrišová, 2020, p.30). Individuals violate ethical standards mainly for the following reasons. They do not know ethical standards or do not know or have learned that their acceptance is important. Unethical behavior of individuals is caused by strong situational pressures. Functionally superior is weak, "soft", or inefficient. The pressure to retreat from the set ethical standards is created by the collaborators themselves (Flikingerová 2021). The organization's management may ignore behavior that differs from ethical standards, which may result in the promotion or even institutionalization of misconduct. Trying to achieve personal gain or expecting personal gain can provoke behavior that does not comply with ethical standards.

Any system that seeks to reduce the likelihood of unethical behavior must be able to manage potentially destructive factors. "The emphasis on ethical behavior and the publication of codes of ethics should not be just a fad, a response to the immediate critical attitudes of the public" (Šestáková 2013, p. 67). Unethical behavior permanently threatens the internal integrity of the organization, its relations with the external environment. Institutionalization of ethics in the company is an important and decisive means in eliminating and preventing unethical conduct. Institutionalization of business ethics is a broad concept and includes the socialization process of employees (candidate selection, finding moral awareness and value system remuneration, ...), integration and loyalty of employees and, last but not least, the code of ethics of the organization.

There is a need to reflect on the level of implementation of the institutionalization of the Code of Ethics, in terms of its effectiveness. For a code of ethics to be effective, it must contain three main qualitative characteristics: a) it should be clear and comprehensible to the average individual, b) it must be as comprehensive as possible in order to avoid misinterpretation of various acts, c) enforceable, with a precise description of the expected behavior and the behavior leading to its violation, as well as with a precise definition. Penalties or sanctions must be explained for three reasons. 1. to maintain the clarity and completeness of the Code, 2. to give the individual the opportunity to decide whether the conduct is appropriate to the penalty provided, 3. to ensure the enforcement of the Code. Adopting a code of ethics must never be an end in itself.

To support and better apply the Code in practice, S. Weller puts forward several hypotheses: The more emphatic one of the sources of legitimacy will be, the more effective the Code of Ethics will be. In decentralized organizations, middle management will be a more effective source of authority to ensure a code of ethics than top management. In a centralized organization, top management will be a more effective source of authority to ensure a code of ethics than middle management. The effectiveness of the Code of Ethics is all the greater the greater the involvement of middle management and senior representatives working in the development of the Code. A code of ethics that is published and regularly discussed with employees through all levels of management will be more effective than a code that is not subject to this communication. Sanctions, which are linked to the Code itself, play an important role. A code of ethics in which employees have a key role to play is more effective and open to change by employees. Employee participation in its creation and changes directly increases its efficiency (Weller 1988).

The Code of Ethics can be created in two ways, externally and internally. Both methods have their advantages and disadvantages. If a company draws up its code of ethics internally, the advantage is that its creators know the company well. They are familiar with its problems and organizational culture. The disadvantage for the employer is that employees cannot perform other tasks during the creation of the code of ethics. The disadvantage may also be the lack of depersonalization, as well as the absence of distance from the creators of the organization. The second way is the external creation of a corporate code of ethics. The advantage here is that employees can perform their work without interruption and are not allocated to this task. Another advantage is that the employees of a professional company that creates corporate codes of ethics usually have the education and experience to do so. The code thus comes basically completely finished. The disadvantage is that the external company does not have a perfect overview of the company for which it wants to prepare a corporate code of ethics. It is therefore difficult to reconcile the professionalism requirement of the corporate code of conduct on the one hand and the need to know the adequate needs for the institutionalization of corporate standards on the other. Before creating the first draft of the code, it is necessary to analyze the group or organization for which the code will be developed. For a business organization (or industrial enterprise), the first step

includes specifying its function in the company in terms of product markets, number of customers, shareholders, employees, as well as other groups of clients, including competitors, suppliers, local, respectively. regional communities and governments (Luknič 1994).

There are several suggestions on how to well implement an ethical culture in a company using codes of ethics. Webley, for example, makes suggestions. "The main reasons for the apparent gap between corporate principles and practice can be summarized as a failure to embed core ethical values in a way that affects decision making at all levels throughout the organization" (Webley and Werner 2008, p. 413). Webley says the code of the draft code of ethics is approved by the company's management. It is also necessary to create a strategy for the implementation of the prepared code in the company. The code must also be forwarded to the company's employees in an understandable form. Employees should be given the opportunity to respond to the content of the Code. Webley encourages executives to confirm that they understand the corporate code of ethics and to be able to innovate and supplement it. Our author makes the link of the code of ethics with contracts and disciplinary proceedings to consider. It also recommends a space for regular updating of the company's code of ethics. Our author intends to raise awareness of the consequences in the minds of the company's employees. It also recommends institutional training related to the implementation of the Code, translation of the Code as required, distribution of copies of the Code to business partners as well as the presence of the Code in annual reports (Webley 2007).

We have described the possible disadvantages of codes of ethics, as well as recommendations on how to eliminate them as effectively as possible. Many of the negative effects of a code of ethics can occur when the code is an octopus dictated by management, without discussion throughout the company in plenary, or with representatives of each component if the company is too large. Such a case can lead to an octave at the will of the author of the code, who will enforce its content arbitrarily. We can give more examples. One model situation can arise if the company's management arbitrarily enforces various rules in the corporate code of ethics, the nature and meaning of which is non-ethical in nature. There are many such situations to imagine or imagine. We present several examples as model situations. These are not taken examples from reality, but fabricated cases. We tried to make their content so that it could be an empirically possible fact.

For example, consider a company in which management has implemented a rule in the company's code of ethics that it is undesirable to work in another company in a similar industry, even in the case of part-time work and the conditions under which the worker pursues both jobs. The real reason for such a disguised decision may be an unhealthy view of another company in the same sector as hostile, thereby (unjustifiably) declaring such a working time a conflict of interest. However, this may include the previous failure of members of management who have tried unsuccessfully in the past to engage in such ancillary or second employment. Therefore, they will not deny such a relationship to others either, as they did not obtain it themselves. The corporate code of ethics will not be aspirational, but regulatory. It will include sanctions, which in the extreme case will lead to termination of employment.

In the second case, we can imagine a scientific institution that produces results published in scientific journals and proceedings. The company will issue a part of the company's code of ethics, which prohibits publishing in such publication media (magazines and anthologies) that are paid. In addition, it will again be a regulatory corporate code of ethics. Here in the area of the decision, something that is fundamentally ethical in nature will not be a direct consequence of the decision. The cardinal problem is not ethics, but the struggle between two groups of scientific journals: those who do not collect fees for publishing, but for orders for their copies and accesses, and those who collect these fees from authors. In our case, it is the decision of the company's management whether to join one or the other magazine camp. It is no secret that there are often tense relations between the two groups of supporters of these approaches, sometimes leading to mutual heresy. In our view, holding one of the positions and outlining this view according to the corporate regulatory code is only a manifestation of the company's management, but it is not ethically relevant (not even in terms of the ethics of scientific research) and is only an enforceability of the institution's employees.

The third case may be in the area of security services. Imagine a security service that works in hypermarkets. In our idea, it is a company with a large turnover of employees. The company's management itself decides on a code of ethics, which will take the form of desirable and undesirable patterns of behavior. Among the undesirable behavior, in connection with the financial sanction, there is a point that forbids tasting from the presented tasting of products that the hostesses offer to customers. The irony is that hostesses often also offer security staff. However, if a senior manager found out about the innocent execution of a tasting by a security guard, he would deduce sanctions

associated with the fine. In such a decision by management, all the more so if the code of ethics has been established without discussion, the point lacks ethical sense.

Another option will be if the code of ethics is not an octroj, but if it does not significantly change the status quo. An example is the institutional code of ethics in a small municipal office with less than 10 employees. Institutionalizing ethics at such a level with such a small number of employees seems unnecessary. The manager, in this case the mayor of the municipality, has enough space to handle a really small number of employees without the need to introduce such an ethics implementation tool. One of the advantages of the company's code of ethics is, after all, speeding up, automating processes when, for many employees and problems, it is not realistic to address each ethical problem separately and solve it as a new problem, without automated processes. With a small number of employees, it makes no sense to establish such ethical institutions.

There is another possibility in which we consider the introduction of a corporate code of ethics to be meaningless and certainly unnecessary. It is the introduction of a code of ethics as a facade, the sole purpose of which is to demonstrate to some stakeholder groups that ethics is important in the company and that certain specific measures are taken. However, nothing really happens and the behavior of the company's employees before and after the introduction of the code does not change. Such use of the code of ethics is only a matter of external image and first impression. In such a case, it is not a real implementation of an ethical institute. In this case, the code of ethics only becomes part of creating a certain image for the public.

There may be several situations in which the Code of Ethics can be considered meaningless, unnecessary, or even harmful. In some cases, these are certain patterns of behavior that simply have no sense of ethics. These are usually regulations created by the manager. He has subjective reasons why he has implemented some models of behavior into the code of ethics as desirable, but their connection with ethics is minimal or non-existent. In fact, it is a fulfillment of some fixed idea of the author of the code. If subjective non-ethical reasons were given for approval by employees or their representatives, the likelihood of their approval would not be high. No consultation or discussion in the process of drafting the code can lead to the adoption of some measures, which at best will sound meaningless, at worst they will be rejected. Employees will speak negatively and the code will not be adopted. Therefore, it is our belief that failure to discuss the draft code with employees who are free to accept, amend, or even reject the proposed corporate code of ethics significantly increases the risk of non-acceptance and disapproval. It is a latent threat of conflicts that can lead to fluctuations. Forcibly enforcing the points of the code of ethics without elementary confidence in the meaning of the regulations is an unnecessary escalation of tension. It should be noted that a code of ethics is not the only possible solution for implementing ethics in a company. For example, Alizadeh, Diraniu and Qiu talk about the ethical filter in organizations (Alizadeh, Diraniu and Qiu 2021).

The introduction and updating of the code of ethics, ie changing the conditions, can also be a strategy for getting rid of uncomfortable people. We consider such motives for introduction or changes in the code of ethics to be unacceptable. The Code of Ethics can thus, in a partial or complete sense, become a tool for discriminating against employees. This is the case with the purposeful introduction of a corporate regulatory code of ethics.

Even more bizarre is the introduction of a corporate code of ethics where there is no justification. Alpha and omega implementation codes of ethics are existing, latent, or anticipated issues. We consider its implementation for the implementation itself, ie as a point of the program, which is only to create a favorable image, as a waste of energy and human potential.

Conclusions. There are two types of division of codes of ethics. In our study, we focused mainly on corporate regulatory codes of ethics. We also touched on the issue of possible disadvantages of codes of ethics, but most of all the nonsense of their implementation, resp. certain components which they contain as directives. We agreed that nonsense and unfoundedness arise in some cases at all through the introduction of a corporate code of ethics. There are other cases where selected sequences from corporate regulatory codes of conduct can be described as meaningless, even harmful. As nonsense, sometimes with the potential for harmful effects, we have identified the Code of Ethics in the following cases: a) the adopted corporate code of ethics does not absolutely change the real patterns of behavior that are relevant in terms of business, economic and managerial ethics, b) the corporate code of ethics contains measures that are irrelevant from the point of view of business, economic and managerial ethics. Their implementation is often associated with management, c) the company's aspiration code of ethics contains directives associated with sanctions that have been introduced purposefully - in an effort to set rules so that management can punish uncomfortable people in some way. It is the setting of some rules of the ad hoc corporate

code of ethics. Situation b) and c) can be given within one code of ethics. The three situations of nonsense of the individual regulations of the Code up to its implementation are evidence that the introduction of a corporate code of ethics is not desirable in every situation, as well as that some of its regulations may have nothing to do with applied ethics and may even have very negative effects.

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