

CODE OF ETHICS DEVELOPMENT PROCESS



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Concerned SDG(s): SDGs in general (particularly 4 and 5)
HEI name: Budapest Business School University of Applied Sciences
Type of HEI: Public-financed University of Applied Sciences

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CHALLENGE

Ethical responsibility of business schools - The concept of sustainable development is interlinked with responsible behaviour and the discipline of ethics; dealing with what is good and bad and with moral duty and obligation. In the business world, many unethical practices are revealed by the scandals that have emerged from time to time (for example, pollution, corruption, money laundering, human rights violations). These show the irresponsibility of companies and the fact that the company does not care about the long-term effects of its operation on stakeholders, which is the basic idea of sustainable development. Sustainable development requires corporate responsibility, which presupposes the existence of ethical values in the organization, such as trust, openness, respect and integrity³¹. The same correlation is at individual level. This raises responsibility of business schools for the training of future responsible and sustainable professionals and

leaders. This is why many universities have integrated business ethics into their curriculum. Business ethics training is important, but it is not enough if the university itself is not ethical and does not set a good example.

Ethical problems of university operation - There are several ethical problems in the everyday life of universities, of which fraud and plagiarism are prevalent, but there may also be issues of corruption, abuse of power or even sexual harassment. The codes of ethics created by universities can play an important role in preventing ethical misconducts and developing a supportive ethical culture.

Shortcomings in the content of university ethics codes - Some of the universities' codes of ethics focus only on ethical issues related to education, while others have specifically developed only a research code. There are many rule-based codes

that can be difficult to understand and discouraging for students and colleagues. It is one of the characteristics of Hungarian universities that the codes do not fit the organizational culture of the specific university, but there are codes, with the same content, often with the same wording.

Problems in developing ethics codes – A frequent problem in developing codes of ethics is that there is a lack of stakeholder involvement in the process, and as a result certain ethical issues are not revealed, and the views of stakeholders are not known. In addition, if involvement is missed, stakeholders do not feel that the created code is their own, which calls into question its successful implementation.

³¹<https://www.ibe.org.uk/frequently-asked-questions/3>

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CHALLENGE – Goals and ambitions



Becoming a socially responsible and sustainable university - The mission of the Budapest Business School (BBS) is to become one of the leading economic universities of applied sciences in the region and the main strategic objective of BBS is to be an entrepreneurship-friendly, internationally competitive, socially responsible and sustainable university with an experience-based study environment. Another goal is that when the graduates of BBS go and enter the labour market they have a very clear sense of ethical awareness which they can use and apply in their day to day life and at work.



Creating a modern, »high road« code of ethics - The aim of the Code of Ethics Development Process is to create a modern and comprehensive code of ethics supporting the strategic objectives of BBS and applying it to each university citizen in both educational and research activities. The desirable code contains not only traditional ethical issues relevant to the university, but also ethical issues raised by e.g. modern communication techniques or the Internet. High-road codes are proactive and focus on doing the right thing as opposed to the low-road codes which are reactive and emphasize on legal and administrative controls to avoid any wrongdoing.



Developing organisational culture - The ethical culture of an organization relates to the factors and process of the organizational culture which symbolize and support the encouragement of ethical behaviour and avoidance of unethical behaviour. The ethical behaviour can be supported not only by organizational culture but also by formal ethical institutions. Although the Code of Ethics is a formal ethical institution, its creation and implementation can greatly contribute to the development of an ethical organizational culture of BBS.

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PRACTICE

In order to achieve the goals, the project-team worked out the methodological combination which contained 4 different methods:

01

content analysis of the code of ethics of business schools ranked among the top 50 of the Financial Times 2017 and 65 Hungarian HEIs

02

interviews with 16 academic, managerial and student leaders of BBS

03

collage questionnaire survey with 591 participants (academic and non-academic staff and students) (See Figure 1)

04

Co-creation workshops with 63 interested internal stakeholders

Figure 1 Example of picture-question in the collage technique questionnaire

What type of code of ethics would you like at BBS? Please, choose one of the pictures! Please, give a short (5-8 sentences) explanation about your decision!



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PRACTICE

Required resources for implementation (HR, time, infrastructure, etc.)

The creation of the code of ethics took place between October 2017 and June 2018. The number of involved participants were more than 600.

Obstacles

Although external stakeholders were not directly involved into the process, the ethical values and the ethical aspects competitors were analysed based on the content analysis of their codes.

The applied methods had some disadvantages: the interviews with leaders were not suitable for discussing controversial issues, reception of the collage technique was ambivalent, the number of participants in Co-design workshops was limited.



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BENEFITS



Modern, user friendly, principle-based Code of Ethics which includes relevant ethical topics and examples that emerged primarily during the interviews, the questionnaire survey and the co-creation workshops. The ethical judgment of critical topics is based on discussion of different opinions, mostly based on consensus, which increases the acceptance of the Code³².

Clear Rules of Procedure of Ethics Committee which supports the implementation of the Code and helps to manage ethical complaints and conduct as an ethical investigation³³.

Improved organizational culture that brought the members of the organization closer together and enables them to raise ethical issues, talk about them, and learn from past mistakes and prevent ethical problems.

Good example of involvement-based code-creation, which was not only a learning process for BBS, but which other organizations can learn from.



The long-term benefit of the Code and ethical organisational culture may be for graduates to **become a responsible manager and economist**, which contributes to achieving sustainability goals. The aim of BBS is to measure the progress of students' and employees' ethical awareness on a regular basis. The design of the measurement system is in progress.

³²<https://en.uni-bge.hu/documents/BBS-Code-of-Ethics.pdf>

³³<https://en.uni-bge.hu/Root/Sites/EN/Tartalmak/Rules-of-Procedure-of-the-Ethics-Committee.pdf>