

# Professional Ethics

Professional people and those working in acknowledged professions exercise specialist knowledge and skill. How the use of this knowledge should be governed when providing a service to the public can be considered a moral issue and is termed professional ethics.

Professionals are capable of making judgments, applying their skills and reaching informed decisions in situations that the general public cannot, because they have not received the relevant training. One of the earliest examples of professional ethics is probably the Hippocratic oath to which medical doctors still adhere to this day.

Professional ethics is a set of standards adopted by a professional community. Professional ethics are regulated by standards, which are often referred to as codes of ethics.

The code of ethics is very important because it gives us boundaries that we have to stay within in our professional careers. The one problem with the code of ethics is that we can't always have the answers black and white. Sometimes there are grey areas where the answers aren't so simple. Professional ethics are also known as **Ethical Business Practices**.

## **Components**

A number of professional organisations define their ethical approach as a number of discrete components. Typically these include:

- **Honesty**

"Honesty is the best policy" is a famous statement. Honesty refers to a facet of moral character and connotes positive and virtuous attributes such as integrity, truthfulness and straightforwardness along with the absence of lying, cheating or theft. Honesty is revered in many cultures and religions.

- **Integrity**

Integrity is a concept of consistency of actions, values, methods, measures, principles, expectations, and outcomes. In ethics, integrity is regarded as the honesty and truthfulness or accuracy of one's actions. Integrity can be regarded as the opposite of hypocrisy, in that integrity regards internal consistency as a virtue, and suggests that parties holding apparently conflicting values should account for the discrepancy or alter their beliefs.

- **Transparency**

Transparency, as used in science, engineering, business, the humanities and in a social context more generally, implies openness, communication, and accountability. Transparency is operating in such a way that it is easy for others to see what actions are performed. For example, a cashier making change at a point of sale by segregating a customer's large bills, counting up from the sale amount, and placing the change on the counter in such a way as to invite the customer to verify the amount of change demonstrates transparency

- **Accountability**

In ethics and governance, accountability is answerability, blameworthiness, liability, and the expectation of account-giving. As an aspect of governance, it has been central to discussions related to problems in the public sector, nonprofit and private (corporate) worlds. In leadership roles, accountability is the acknowledgment and assumption of responsibility for actions, products, decisions, and policies including the administration, governance, and implementation within the scope of the role or employment position and encompassing the obligation to report, explain and be answerable for resulting consequences.

- **Confidentiality**

Confidentiality is a set of rules or a promise that limits access or places restrictions on certain types of information. Confidentiality is ensuring that information is accessible only to those authorized to have access.

- **Objectivity**

Law is a system of rules and guidelines which are enforced through social institutions to govern behavior. Laws are made by governments, specifically by their legislatures. The formation of laws themselves may be influenced by a constitution (written or unwritten) and the rights encoded therein. The law shapes politics, economics and society in countless ways and serves as a social mediator of relations between people.

- **Respectfulness**

Respect gives a positive feeling of esteem or deference for a person or other entity (such as a nation or a religion), and also specific actions and conduct representative of that esteem. Respect can be a specific feeling of regard for the actual qualities of the one respected (e.g., "I have great respect for her judgment"). It can also be conduct in accord with a specific ethic of respect. Rude conduct is usually considered to indicate a lack of respect, *disrespect*, where as actions that honor somebody or something indicate respect. Specific ethics of respect are of fundamental importance to various cultures and therefore key to success in any organization is Respectfulness.

- **Obedience to the law**

Law is a system of rules and guidelines which are enforced through social institutions to govern behavior. Laws are made by governments, specifically by their legislatures and in organizations, by the Top Management.. The formation of laws themselves may be influenced by a constitution (written or unwritten) and the rights encoded therein. The law shapes politics, economics and society in countless ways and serves as a social mediator of relations between people. And the employees working in an organization are bound to obey the Laws & Regulations of that organization.

## Need For Professional Ethics

- Ethics means a code of conduct that directs an individual in dealing with others. Business Ethics is a form of the skill that examines ethical moralities and honesty or ethical problems that can arise in a business environment. It deals with matters regarding morals, principles, duties and corporate governance applicable to a company and its employees, customers, shareholders, media, suppliers, government and dealers. This is what the famous Henry Kravis had to say about professional ethics: “If you don't have integrity, you have nothing. You can't buy accountability. You can have all the money in the world, but if you are not a moral and ethical person, you really have nothing.”
- Ethics are also related to the core of management practices such as human resource management, accounting information, production, sales and marketing, intellectual property knowledge and skill, international business and economic systems. In the corporate world, the organization's culture sets standards for shaping the difference between good or bad, right or wrong and fair or unfair. This quote by Albert Einstein says it all: “Relativity applies to physics, not ethics.” The point being that it is possible to make profits without having to negotiate on ethics. And over and above the factor of correctness associated with ethics, an ethical business and its proprietors only serve themselves, their clients and the whole enterprise much better in the final reckoning.
- Management gurus often preach on the advantage an ethical company has over their competitors. “A business is successful to the extent that it provides a product or service that contributes to happiness in all of its forms” – these famous words by Mihaly are a fitting description of this reality.
- Lately, ethical issues in business have become more complicated because of the international and diversified nature of many big corporations and because of the difficulty of economic, social, global, political, legal, and administrative regulations and peculiarities. Thus companies have to decide whether to stick to constant ethical principles or to bend according to domestic standards and culture. It can be aptly summed up in the words of John D. Rockefeller: “I believe that every right implies a responsibility; every opportunity an obligation; every possession a duty.”
- In every company, the managers should remember that leading by example is the first and very important step in nurturing a culture of ethical conduct. Hence, the best way to encourage ethical behavior is by setting a good personal example. Teaching an employee ethics is not always effective. One can explain and define ethics to an adult, but understanding ethics does not necessarily result in ethical behavior. John Mackey once quoted that “Business social responsibility should not be coerced; it is a voluntary decision that the entrepreneurial leadership of every company must make on its own.”

- Thus, ethics are important not only in business but in all the other parts of life because it is an important base on which a civilized and cultured society is built. A business or society without ethics and scruples is only headed towards self-destruction.

## **Code of Professional Ethics**

The mandatory Code of Professional Ethics defines the ethical relationship the public, the bench, and the bar have a right to expect from a Member. The Code sets out the conduct of the Member when dealing with the user of reporting services and acquaints the user, as well as the Member, with guidelines established for professional behavior. The Guidelines for Professional Practice, on the other hand, are goals which every Member should strive to attain and maintain. Members are urged to comply with the Guidelines and must adhere to local, state and federal rules and statutes. It should be noted that these guidelines do not exhaust the moral and ethical considerations with which the Member should conform, but provide the framework for the practice of reporting. Not every situation a Member may encounter can be foreseen, but a Member should always adhere to fundamental ethical principles. By complying with the Code of Professional Ethics and Guidelines for Professional Practice, Members maintain their profession at the highest level.

A code of ethics identifies important core values of a company. The document makes available benchmarks for members or employees to use for self-assessment. In addition, a professional code of ethics can provide a suitable structure for professional performance and responsibilities. The presence of a code of ethic engenders more confidence on the part of individuals and the public outside of an organization.