

## PROFESSIONAL CODE OF CONDUCT

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### ABSTRACT

In a globalised economy, the value and worth of professional code of conduct or morality of everyone involved in the economic process has assumed high importance to ensure that global corporate values are practiced the world over. The codes of ethics and conducts of professionals have not so far been formulated specially in view of the global challenges in the post liberalization economic era. The paper examines the privilege of the profession and highlights the general characteristics and importance of professional morality so that the privilege of the profession to serve does not end up as a privilege to exploit, as has often been the case in the past. Professional societies, industry and commerce associations and the world bodies should have a major role in enforcing professional morality of its members. This can be done by well-defined codes of ethics and conducts.

The Question whether the decision to globalize Indian economy in July 1991 was based on conviction or compulsion is no longer debatable. What is however debatable is whether India could have done far better as a country like China, which is larger than India both in terms of population as well as geographical area, has done during the last 15 years of globalization?<sup>1</sup>

The bold decision to globalize Indian economy and liberalize various processes of economic system was undoubtedly based on the assumption that the global competition would force the Indian industry as well as the business and commerce sector to modernize the prevailing system so as to make it far more efficient and cost effective than it was during the last five decades of protected economy in the post-independent period. It was also expected that the inertia for change with which the Indian industry and the business sector was then deeply riddles will give way to a rapid transformation of inefficient Indian production and the service sector into a dynamic and vibrant system tuned to a work culture based on professional ethics enabling Indian industry, business, commerce and in fact all its socio – economic activity to perform at higher level.

But it makes a sad story when we find that after 15 years of sustained efforts of liberalization of the economic processes. What has gone wrong is matter of serious concern to all of us associated with education, industry, government and in various aspects of our economic policy. Whether it is the policy or the way we have gone to implement it? Whether it is the use or misuse of the opportunity opened by liberalization? Whether it is a lack of governmental support or the lack of public will or it is the lack of moral & ethical commitment on part of policy makers and those involved in implementation? We can surely examine India's slow march on the path of growth and development during the last 15 years of globalised economy from various angles. But one thing is certain that no matter how poor the policies were, it is the people who are involved at various levels of the economic activity, it is their competence, caliber, commitment, drive and dedication, and above all their professional morality that ultimately decides the end results and not merely the inputs of technology, alliances and even the internal and external support from the financial institutions. What then is professional code of conduct or morality?

### Introduction :

In the recent times, the world over it has become quite clear that for the globalised economy to assure ever increasing quality of life of the people and to sustain economic growth and development

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in harmony with nature, the ethics and values practiced by the people will have a decisive role in dictating the destiny of the society at large and prosperity of the nation in particular. Professional morality specifically concerns the work activity being performed by those engaged in the productive work activity at various levels of supply chain of the economic system. Professional morality differs from one's personal and social values to a great extent as these are usually based on one's socio-religious background. Professional morality directly concern one's profession, in fact what you do during 8 hours of your professional work life per day which in turn directly affects the economy and the people and not so much as to what you do during your remaining 16 hours. But then here also during the remaining 16 hours the social and governmental system dictates how people behave.

We do have a code of conduct for public servants and associated controls and mechanisms of punishments if proved guilty but these have not been able to ensure high levels of moral and ethical commitment to work activity and people have learnt how to tackle these provisions.

There is, by and large, an absence of the professional codes of ethics and professional morality binding professionals such as managers, engineers, lawyers, valuers and assessors and a host of professionals whose work and conduct directly affects public safety and economic prosperity of the country. The professional societies, professional associations, industry associations, business associations take pride in having large membership but are seldom heard of enforcing professional morality in its members.

The present paper highlights the importance of code of conduct, meaning of code of conduct, professional ethics and code of conduct, formation of profession, professional development, characteristics of profession, regulations and privilege of the profession. Participants of profession, Approaches to Professional Development and Role of educational institutions for professionals code of conduct

### **Why Have a Code of Conduct?**

A code of conduct is intended to be a central guide and reference for users in support of day-to-day decision making. It is meant to clarify an organization's mission, values and principles, linking them with standards of professional conduct. As a reference, it can be used to locate relevant documents, services and other resources related to ethics within the organization.

A code is an open disclosure of the way an organization operates. It provides visible guidelines for behavior. A well-written and thoughtful code also serves as an important communication vehicle that "reflects the covenant that an organization has made to uphold its most important values, dealing with such matters as its commitment to employees, its standards for doing business and its relationship with the community."<sup>2</sup> A code is also a tool to encourage discussions of ethics and to improve how employees/members deal with the ethical dilemmas, prejudices and gray areas that are encountered in everyday work. A code is meant to complement relevant standards, policies and rules, not to substitute for them.

Codes of conduct offer an invaluable opportunity for responsible organizations to create a positive public identity for themselves which can lead to a more supportive political and regulatory environment and an increased level of public confidence and trust among important constituencies and stakeholders.<sup>3</sup>

**A code of conduct** is a set of rules outlining the responsibilities of or proper practices for an individual or an organization.

"Principals, values, standards, or rules of behavior that guide the decisions, procedures and systems of an organization in a way that (a) contributes to the welfare of its key stakeholders, and (b) respects the rights of all constituents affected by its operations."<sup>4</sup>

### **Professional Code of Conduct;**

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assure ever increasing quality of life of the people and to sustain economic growth and development in harmony with nature, the ethics and values practiced by the people will have a decisive role in dictating the destiny of the society at large and prosperity of the nation in particular. Professional morality specifically concerns the work activity being performed by those engaged in the productive work activity at various levels of supply chain of the economic system.

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**A profession** is an specialized occupation or vocation characterized by intensive training leading to a first professional degree and subsequent licensure by a regulatory body.

**According to the Oxford English Dictionary**, professions involve the application of specialized knowledge of a subject, field, or science to fee-paying clientele.

It is axiomatic that "professional activity involves systematic knowledge and proficiency."<sup>5</sup> Professions are distinguished from other occupations represented by trade groups due to their level of legal recognition.

**Professions include.:** Physicians, Dentists, Pharmacists, Lawyers, Accountants, Veterinarians, Engineers, Teachers, Diplomats, Commissioned Officers, Professors, Clergy, Urban Planners, Architects, Physical Therapists, Nurses, Occupational Therapists, Chiropractors, Social Workers.

#### **Professional ethics and code conduct;**

Professional ethics and code of professional conduct have become a part of corporate value system and there is growing awareness and appreciation of their role in assuring corporate success the world over. The privilege of the profession to serve and excel can best be protected by carefully developing codes of ethics and conduct for the professionals. These should become a binding on its members and any deviation from the defined path should be strictly punishable or else the "privilege to serve" will become a "privilege to exploit".

Corporate culture should integrate in its fold professional codes of ethics and codes of conduct of its professionals. There is also a need to evolve globally acceptable codes of professional ethics, codes of conduct and codes of professional morality to ensure adherence of ethical and moral values by all corporations engaged in global trade and business.

#### **Formation of a profession;**

A profession arises when any trade or occupation transforms itself through "the development of formal qualifications based upon education and examinations, the emergence of regulatory bodies with powers to admit and discipline members, and some degree of monopoly rights."<sup>6</sup>

The process by which a profession arises from a trade or occupation is often termed professionalization and has been described as one, "starting with the establishment of the activity as a full-time occupation, progressing through the establishment of training schools and university links, the formation of a professional organization, and the struggle to gain legal support for exclusion, and culminating with the formation of a formal code of ethics."<sup>7</sup>

#### **Regulation;**

Professions are typically regulated by statute, with the responsibilities of enforcement delegated to respective professional bodies, whose function is to define, promote, oversee, support

and regulate the affairs of its members. These bodies are responsible for the licensure of professionals, and may additionally set examinations of competence and enforce adherence to an ethical code of practice. However, they all require that the individual hold at least a first professional degree before licensure. There may be several such bodies for one profession in a single country,

Typically, individuals are required by law to be qualified by a local professional body before they are permitted to practice in that profession. However, in some countries, individuals may not be required by law to be qualified by such a professional body in order to practice, as is the case for accountancy. In such cases, qualification by the professional bodies is effectively still considered a prerequisite to practice as most employers and clients stipulate that the individual hold such qualifications before hiring their services.

### **Characteristics of Profession;**

The list of characteristics that follows is extensive, but does not claim to include every characteristic that has ever been attributed to professions, nor do all of these features apply to every profession:

- Ø **Skill based on theoretical knowledge:** Professionals are assumed to have extensive theoretical knowledge (e.g. medicine, law, scripture or engineering) and to possess skills based on that knowledge that they are able to apply in practice.
- Ø **Professional association:** Professions usually have professional bodies organized by their members, which are intended to enhance the status of their members and have carefully controlled entrance requirements.
- Ø **Extensive period of education:** The most prestigious professions usually require at least three years at university.
- Ø **Testing of competence:** Before being admitted to membership of a professional body, there is a requirement to pass prescribed examinations that are based on mainly theoretical knowledge.
- Ø **Institutional training:** In addition to examinations, there is usually a requirement for a long period of institutionalized training where aspiring professionals acquire specified practical experience in some sort of trainee role before being recognized as a full member of a professional body. Continuous upgrading of skills through professional development is also mandatory these days.
- Ø **Licensed practitioners:** Professions seek to establish a register or membership so that only those individuals so licensed are recognized as bona fide.
- Ø **Work autonomy:** Professionals tend to retain control over their work, even when they are employed outside the profession in commercial or public organizations. They have also gained control over their own theoretical knowledge.
- Ø **Code of professional conduct or ethics:** Professional bodies usually have codes of conduct or ethics for their members and disciplinary procedures for those who infringe the rules.
- Ø **Self-regulation:** Professional bodies tend to insist that they should be self-regulating and independent from government. Professions tend to be policed and regulated by senior, respected practitioners and the most highly qualified members of the profession.
- Ø **Public service and altruism:** The earning of fees for services rendered can be defended because they are provided in the public interest, e.g. the work of doctors contributes to public health.
- Ø **Exclusion, monopoly and legal recognition:** Professions tend to exclude those who have not met their requirements and joined the appropriate professional body. This is often termed professional closure, and seeks to bar entry for the unqualified and to sanction or expel incompetent members.
- Ø **Control of remuneration and advertising:** Where levels of remuneration are determined by government, professional bodies are active in negotiating (usually advantageous) remuneration packages for their members. Some professions set standard scale fees, but government advocacy of competition means that these are no longer generally enforced.

- Ø **High status and rewards:** The most successful professions achieve high status, public prestige and rewards for their members. Some of the factors included in this list contribute to such success.
- Ø **Individual clients:** Many professions have individual fee-paying clients. For example, in accountancy, "the profession" usually refers to accountants who have individual and corporate clients, rather than accountants who are employees of organizations.
- Ø **Middle-class occupations:** Traditionally, many professions have been viewed as 'respectable' occupations for middle and upper classes.
- Ø **Offer reassurance:** Professionals are able to offer reassurance to their clients that although there appear to be problems, everything is normal or being dealt with properly, and this reassurance may be offered rather than solutions to particular problems. For example, sick people may be reassured that they will probably get better in a few days.
- Ø **Legitimacy:** Professions have clear legal authority over some activities (e.g. certifying the insane) but are also seen as adding legitimacy to a wide range of related activities.
- Ø **Inaccessible body of knowledge:** In some professions, the body of knowledge is relatively inaccessible to the uninitiated. Medicine and law are typically not school subjects and have separate faculties and even separate libraries at universities.
- Ø **Indeterminacy of knowledge:** Professional knowledge contains elements that escape being mastered and communicated in the form of rules and can only be acquired through experience.
- Ø **Mobility:** The skill knowledge and authority of professionals belongs to the professionals as individuals, not the organizations for which they work. Professionals are therefore relatively mobile in employment opportunities as they can move to other employers and take their talents with them. Standardization of professional training and procedures enhances this mobility.

### **Professional development;**

Professional development refers to skills and knowledge attained for both personal development and career advancement. Professional development encompasses all types of facilitated learning opportunities, ranging from college degrees to formal coursework, conferences and informal learning opportunities situated in practice. It has been described as intensive and collaborative, ideally incorporating an evaluative stage. There are a variety of approaches to professional development, including consultation, coaching, communities of practice, lesson study, mentoring, reflective supervision and technical assistance.

### **Who Participates and Why?**

A wide variety of people, such as teachers, health care professionals, lawyers, accountants and engineers engage in professional development. Individuals may participate in professional development because of an interest in lifelong learning, a sense of moral obligation, to maintain and improve professional competence, enhance career progression, keep abreast of new technology and practice, or to comply with professional regulatory organizations.

### **Approaches to Professional Development**

In a broad sense, professional development may include formal types of vocational education, typically post-secondary or poly-technical training leading to qualification or credential required to obtain or retain employment. Professional development may also come in the form of pre-service or in-service professional development programs.

These programs may be formal, or informal, group or individualized. Individuals may pursue professional development independently, or programs may be offered by human resource departments. Professional development on the job may develop or enhance process skills, sometimes referred to as leadership skills, as well as task skills. Some examples for process skills are 'effectiveness skills', 'team functioning skills', and 'systems thinking skills'.

Professional development opportunities can range from a single workshop to a semester-long academic course, to services offered by a medley of different professional development providers and varying widely with respect to the philosophy, content, and format of the learning experiences.

**Some examples of approaches to professional development include:**

- Ø **Consultation** - to assist an individual or group of individuals to clarify and address immediate concerns by following a systematic problem-solving process.
- Ø **Coaching** - to enhance a person's competencies in a specific skill area by providing a process of observation, reflection, and action.
- Ø **Communities of Practice** - to improve professional practice by engaging in shared inquiry and learning with people who have a common goal
- Ø **Lesson Study** - to solve practical dilemmas related to intervention or instruction through participation with other professionals in systematically examining practice
- Ø **Mentoring** - to promote an individual's awareness and refinement of his or her own professional development by providing and recommending structured opportunities for reflection and observation
- Ø **Reflective Supervision** - to support, develop, and ultimately evaluate the performance of employees through a process of inquiry that encourages their understanding and articulation of the rationale for their own practices
- Ø **Technical Assistance** - to assist individuals and their organization to improve by offering resources and information, supporting networking and change efforts

Professional development is a broad term, encompassing a range of people, interests and approaches. Those who engage in professional development share a common purpose of enhancing their ability to do their code of ethics and conduct.

**Privilege of the profession:**

Every profession whether it is engineering, chartered accountants, management, health services, administration or corporate or public governance is in its true sense a privilege to serve the people. This privilege of service entails professional responsibility, it requires social commitment, it demands firm commitment and resolve to protect the dignity and honour of the profession, it expects continuous up gradation of knowledge and skills of the professional to excel in one's chosen activity domain and above all calls for a professional practice based to high ethical and moral foundation.

It demands high levels of integrity and honesty, loyalty, fairness, impartiality, fidelity to trust, and inviolability of confidence and not submissive observance or remaining indifferent to wrong happenings. The privilege of the profession demands unconditional adherence to defined codes of practice and to its moral and ethical values.

**Creating corporate excellence through professional Ethics & codes of conduct for professionals:**

The corporate excellence is judged from the point of view of not only the turnover but the trust the corporate organizations are able to create in their customers and establish the reliability of services in the society. Corporate excellence is thus a desirable goal for all corporate organizations.

Excellence emerges by paying greatest attention to even the minutest details and not otherwise. It entails that all the professionals in the organization practice a work culture based on high morality and ethical foundation. High levels of professional morality practiced through ethics and values are the surest way for achieving corporate excellence. The professional codes of ethics and values are to be meticulously worked out and integrated into the corporate culture in all organizations no matter how small or how large, no matter what domain of activity they are

subscribing to as the defense of the country is as important as the reliability of professional service by its people to provide a road map for sustainable growth and development.

#### **Role of educational institutions for professionals code of conduct :**

Educational institutions specially the one's engaged in professional education can play a meaningful role in preparing a sound foundation for professional ethics and values in the students. Understanding and awareness of professional codes of ethics and conduct and their role in national building could be largely achieved by developing a mindset tuned to professional ethics in the students. This will ensure that on graduation they carry a high sense of social responsibility and a commitment to uphold the honour and dignity of the profession.

Many leading universities have setup centers for development of professional codes of ethics and conduct and have integrated them in the course curricula. In India too there is a genuine need for setting up of centers for the study of ethics in the profession so as to develop mechanisms by which professional codes of ethics are formulated and are integrated into the corporate culture in India.

#### **Concluding Remarks:**

The practice of professional morality by all those involved at various levels of economic activity has become an essential requirement in today's globalised economy environment. Professional codes of ethics need to be evolved and these are to be integrated as a part of professional practice in all professional organizations.

While the professional code of ethics could be evolved by Indian professional bodies like All India Management Association, Corporate Associations such should have well defined codes of ethics for practice of professional morality by its members. In fact the world over the value and worth of professional codes of ethics is being realized for a healthy global competition and for making professionals more responsible to the society and people at large.

India with its deep-rooted foundation of scholarship and professionalism should take a lead in the direction of formulating codes of ethics for strict adherence to its professionals such as engineers, chartered accountants, managers, valuers, lead assessors and for corporate organizations and members of industry and commerce associations.

Knowledge of professional codes of ethics and importance of professional morality should also be integrated into the professional education system in India so that these are cultivated as a part of professional orientation of our students, the managers of future of this country.

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