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Codes of ethics best practice in the Swedish public sector: A PUBSEC-scale

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Abstract

This article examines the results of a study conducted of the top 100 public sector units in Sweden. The aim of the study was to examine and describe the codes of ethics in these Swedish public sector units. Reports on the responses of 27 public sector units that possessed a code of ethics. The content analyses of these codes indicate that they have only recently become an interest in public Sweden. Many public sector units are in the early stages of development and assimilation of codes of ethics artefacts into overall ethics policies in the organization. A customized PUBSEC-scale was used to measure and evaluate the content of the codes. The code of ethics best practice in the Swedish public sector has been used to develop a public sector scale consisting of seven dimensions and 41 items. The PUBSEC-scale differs from the current private sector scales in literature, owing to the specific characteristics of the public sector.

Introduction and research objective

There is an extensive body of research on codes of ethics, mainly in the USA, examining their content, the way they are formed and their advantages and disadvantages. Previous research has been dedicated to the examination of the content of codes of ethics in the private sector (Cressey and Moore, 1983; Mathews, 1987; Benson, 1989; McDonald and Zepp, 1989; Dean, 1992; Lefebvre and Singh, 1992; Wood, 2000) yet, there appears not to have been any in-depth examination of the contents of the codes of ethics and the related organizational ethics artefacts in public sector organizations. This research looks to redress this imbalance and to conduct an examination of business ethics in organizations in the public sector.

Sweden is a rather unique society in that the public sector is large and still dominates in many areas of the country's society. To a large extent, the welfare system is built on the public sector. Recently, there have been a number of instances of deregulation in the public sector, such as within the telecommunications, railway transportation and electricity industries. Therefore, we contend that it would be a fruitful research contribution to explore the public sector in Sweden in terms of the codes of ethics developed and the artefacts in place to support these codes. These efforts could be used as a benchmark and a point of reference for other public sectors around the world. One study has been published in the wider area of business ethics in the private sector in Sweden (Brytting, 1997), but there appears to have been nothing done on the codes of ethics artefact in the Swedish public sector. Therefore, the overall objective of this research is to describe the commitment of public sector units in Sweden to codes of ethics. In particular, the objective is to examine and describe the content of the codes of ethics in Swedish public sector units, such as entities of government, county councils, and municipalities.

Frame of reference
Business ethics is often perceived as a new phenomenon that has arisen in the second half of the twentieth century. Thus, Baumhart's (1961) seminal work, “How Ethical are Businessmen”, was seen as the first attempt in American business to investigate in detail the perceptions of business executives about ethics. Vogel (1991, p. 101) however, contends that ethics in business has been a topic for debate since man first became involved in business enterprises. He contends that:

In fact, public concern with the ethics of business is neither novel or unusual. On the contrary, the public has been preoccupied with the ethics of economic activity since the market economy began to emerge 750 years ago.

A number of authors note that an evolutionary process is occurring with respect to business ethics and society (Hay and Gray, 1974; Brooks, 1989; Vogel, 1991). They all believe that the process was in existence well before the latter half of the twentieth century and has developed from historical roots embedded within western capitalist traditions. From the standpoint of these writers, business ethics is not a new phenomenon – merely an evolving one.

The dilemmas that we continue to see corporations face today do not herald a new phenomenon, but highlight more travails in the quest for better business ethics performance as companies and societies evolve. The demise of large, high profile corporations and the subsequent revelations of impropriety are not new. Enron, WorldCom and Arthur Anderson are just actors in the latest business drama that features opportunity turned to greed and then, ultimately, turned to tragedy. In the past, many companies and even whole industries have been placed under the spotlight as a result of their perceived poor business ethics practices. Tobacco manufacturers, car manufacturers, asbestos manufacturers, and energy and resources companies to name a few, have been cited as having had poor ethical values governing their business operations. The actions of the corporations within these industries have led other corporations to examine their own ethical standards and artefacts, in an effort to ensure that they too do not achieve their own notoriety, because they themselves have not spent enough time and given enough focus to their own ethical behaviour.

When corporations realize a need to examine their ethical practices and to move forward proactively in this area, they invariably look to artefacts that they can institute within their corporations in order to signal to all stakeholders, both external and internal, that they have a commitment to business ethics. Usually, they will implement a code of ethics because it is a tangible artefact that can be seen and acted on by all. Numerous writers have proposed this notion that a code of ethics should exist as a means of enhancing the ethical environment of an organization (Adams et al., 2001; Fraedrich, 1992; Gellerman, 1989; Harrington, 1991; Laczniak and Murphy, 1991; Sims, 1991; Somers, 2001; Stoner, 1989).

It should be recognized that a code of ethics on its own will not be enough to ensure that a company behaves ethically. It must focus its efforts on developing and maintaining an ethical culture (Sims, 1991). Wood (2002) sees a code of ethics as only one measure in a raft of measures that must be implemented by corporations in order to enhance their ethical engagement with society. A code, however, is one of the easier ethical artefacts to examine as companies have developed them and are willing to share the code with their outside publics. A code, in and of itself, showcases to the world the values and ideals of a company without investigators having to be intrusive and enter the company in order to examine more thoroughly its ethical intent. While a code is an important ethical artefact and often the most
easily accessible it is not the only one that is required. Companies need to have in place measures that include ethics education, an ombudsman, whistleblower protection, ethics audits, and staff induction (Wood, 2002).

When companies develop a code of ethics they are making available to outside publics their inner most thoughts about the ideas that constitute their perceptions of best practice in business ethics. Codes of ethics showcase these ideas and lead all stakeholders to examine the precepts on which these documents are developed. For it is within the written words of the code that one can obtain insights not only into the ethos of the code, but also into the underlying motives behind the establishment of the code. A systematic examination of these documents across a number of organizations operating in a defined sector of business can shed light on items that are common. One can record the frequency of mention of items in the code and based on this analysis make some judgments about the company's performance in this area. This assessment can then be compared against the performance and ideals of like companies (Cressey and Moore, 1983; Lefevbre and Singh, 1992; Mathews, 1987; Wood, 2000).

As already stated, codes of ethics are one of the tangible ways to examine whether organizations have recognized the need for ethical behaviour and have established a commitment to that need. The corporation should make a conscious decision to pursue the goal of having a corporate code of ethics. The document is one that needs to be constructed based on the values in business that each organization wishes to enunciate to its employees and the public at large (Weber, 1981). It should be framed in respect to the particular business environment in which the organization finds itself (Murphy, 1989). This business environment includes a consideration of not only the industry in which it exists, but the culture of the country or countries in which it conducts its business. One should be able to investigate the content of the codes to examine whether these contents reflect the culture of the society in which the organizations exist.

Methodology

A three-stage research procedure was used and conducted at the end of 2002 in order to evaluate the use and content of codes of ethics artefacts in the public sector units operating in Sweden. The public sector in Sweden is divided into three categories of public sector units, namely entities of government, county councils, and municipalities. First, a questionnaire was sent to the largest 40 entities of government out of 277, the largest 40 municipalities out of 289, and 20 county councils out of 20. Consequently, the sample consists of 100 public sector units. The selection of these units was based on their size in terms of revenue in the public sector (SCB, 2002).

The aim of the questionnaire was also to obtain from the participants a copy of their code of ethics, if they had one. The public sector units were asked to answer up to twenty-nine questions about the methods used by their organizations to inculcate an ethical ethos into the daily operations of the organization, its leadership and its employees. The second stage involved the content analysis of the codes of ethics supplied by the survey participants. The third stage involved a more detailed follow-up of a smaller group of public sector units that appeared to be close to or to represent best practice in respect to codes of ethics in public Sweden. Findings for Stages two and three of this three-stage research procedure are reported in this article.
The package sent to each of the public sector units contained a covering letter and a questionnaire. The package was sent to the principal human resource manager in each public sector unit rather than the top leadership. This was done in the hope that human resource professionals are focused on staff concerns and that they may have been more knowledgeable and committed to the task at hand than other organizational functionaries. Each respondent was assured of complete anonymity as the results were to be aggregated. Permission to reveal the identity of the best practice public sector unit was obtained.

Each respondent at each public sector unit was initially contacted by phone in order to confirm their appropriateness to respond to the questionnaire, and at the same time to promote the importance of the survey. Each respondent was also briefly introduced to the research project to stimulate his or her interest and willingness to participate in the survey. Those human resource managers who initially did not answer the questionnaire were contacted again by telephone in order to stimulate their interest to fill in the required answers. The close attention to this part of the research led to the achievement of a high response rate. The response rate in stage one was 83 per cent with 83 out of 100 public sector units returning the completed questionnaire. The response rate per public sector unit category was:

- (82.5 per cent) entities of government;
- (92.5 per cent) municipalities; and
- (65 per cent) county councils.

Twenty-seven out of the 83 (32.5 per cent) public sector units reported that they had a code of ethics. This research is limited to those 27 public sector units that had a code of ethics and we report here only on the contents of their codes of ethics.

A similar process had been conducted with this instrument within the private sector in Australia (1995 and 2001), the private sector in Sweden (2002) and the private sector in Canada (2002). The Swedish research had involved more personal contact in the initial stages with the respondents than in the Australian and Canadian research. This research project was the first time that the document had been used in the public sector. Our initial discussions with potential respondents and those who already had filled in the questionnaire had shown that there appeared to be no concerns with the document. The questions asked were acceptable to public sector unit managers who seemed to be comfortable and at ease with the information requested.

**Stage 1 results that set the context for the content analysis of the codes of ethics**

It would appear that the majority of codes (81.5 per cent) have been constructed in the last six years (see Table I). This phenomenon may well be indicative of an awakening in public Sweden of the need for a code of ethics. Only 7.4 per cent of companies with codes cannot say when the code was developed. If the institutional knowledge about the establishment date of the code is lost, then it could be suggested that there is a chance that the code was developed longer than say five years ago.

The development of a code is an important task for any organization for its code will be its “window to the soul” of the public sector unit. The code will be the face of the public sector unit to its shareholders, employees, customers, suppliers and outside stakeholders. Time needs to be taken to frame the document, because in essence it makes a statement to the world about the public sector unit's values, its aspirations and as whom it sees itself.
Raiborn and Payne (1990) and Stead et al. (1990) suggest that codes would be viewed as more relevant by all members of staff if everyone was involved in the development and consultation process. The staff would then have a degree of ownership and then would feel more compelled to follow a document about which they were consulted. The approach suggested is a participatory management approach.

The individuals involved in code establishment are ranked as such (see Table II): chief executive officers (63 per cent), board of directors (63 per cent), senior managers (51.9 per cent), and other staff (14.8 per cent). It is of interest that the Boards and CEOs, who have responsibility in public sector units for overseeing the policies of the organization, are involved more than the senior managers of the organizations. The involvement by senior staff in establishing and adopting the code is undeniable. Customers are rarely consulted (3.7 per cent) and the staff members who are not senior management (14.8 per cent) appear not to play a large role within the establishment of the code. The initiatives and responsibility appear to rest with chief executive officers and board of directors supported by senior managers.

The obvious downside of the lack of staff involvement is that a code imposed from above by senior management may be less influential on lower level managers who may perceive the code as not of their creation. If the staff members do not feel an ownership in respect to the code, they may not accept it as readily as if they were a part of its development.

Similarly, the exclusion of external stakeholders from the preparation of the code may reduce not only its influence on them, but also its acceptance by them. Not to involve these people in the establishment of the code means that a possible opportunity for the company to obtain outside involvement is not brought to fruition. Outside people can often shed a different perspective on the corporation and thus open up new perspectives for the company to consider (Wood, 2002).

Public sector units were asked about the time lines to develop their codes (see Table III). The researchers were interested in whether there were any apparent patterns. When the respondents knew when their code was developed, it was usually in less than two years. These documents appear to be ones over which companies do not linger. Once the decision has been made to establish a code, then companies get on and do it.

The major way of inducting new staff (see Table IV) is “training and discussion” (51.9 per cent) and “to issue a copy of the booklet” containing the code (44.4 per cent). The use of training and discussion is a preferred option to just distributing a booklet containing the code. The impact that the public sector unit wants the code to make on the employee may be lost if the attention required is not given at the time of induction. How is the employee meant to know that the code is important if it is not discussed or education given in its nuances?

In the public sector in Sweden, codes of ethics are a relatively new phenomenon. One could contend that they have come into being because of a nexus between the world of the public sector and its transition to a mode of business that is moving every gradually towards the ethos of the private sector. The interest in the next section is to compare the contents of public sector codes in order to determine their congruence with the codes of private sector organizations.

**Content analysis of the codes of ethics**
Mathews (1987) used ten dimensions with 64 items from which the content analyses of the codes of ethics were made. Her content analyses criteria were based on the previous research of Cressey and Moore (1983). The frequency of mention of the items within the codes was analyzed. The amount of space devoted to each item was also analyzed. Lefebvre and Singh (1992) used the same method of analysis and based their research on Mathews (1987). Lefebvre and Singh used seven dimensions with 61 items. Wood (2000) used eight dimensions with 62 items and performed the content analyses differently from Lefebvre and Singh (1992) and Mathews (1987). In Wood's (2000) case, the frequency of mention was maintained within each item, but the amount of space or implied relative importance of each item was not used. The main reason was that the amount of space devoted to an item within the code may not necessarily correlate with the importance that the organization attaches to it. The space devoted to it could well be a feature of the difficulty in expressing the item. Some of the most central items can be expressed easily because we understand the importance of the item itself and it is integral to our culture. The content analyses of this research use the approach applied by Wood (2000).

General findings

The content analysis of the codes was based around eight areas and 62 items developed for the private sector (Wood, 2000). Initially, the researchers thought that this instrument would be appropriate. Many public sector organizations in Sweden had undergone a privatisation process and/or had accepted the principles inherent in managing organizations from a private sector perspective of accountability and thus, the instrument was not originally seen as problematic.

The instrument for analysis was comprised of the following eight areas:

1. **Conduct on behalf of the firm (14 items)**. Behaviour that is exhibited by employees when representing the organization. It looks at the dealings that employees have with governments, competitors, customers, suppliers, the community and fellow employees in terms of health and safety.
2. **Conduct against the firm (eight items)**. The focus in this category is to endeavour to highlight those areas of action that could damage the company itself. These include items such as conflict of interest, insider trading, integrity of books and records.
3. **Laws cited (nine items)**. This category examines the frequency of mention in each code of the particular laws of each country. It includes antitrust laws, environment laws, bribery laws.
4. **Government agencies/commissions (two items)**. This category examines the incidence of where codes refer to specific Government agencies.
5. **Compliance/enforcement provisions (18 items)**. The types of compliance and enforcement procedures that are stated in the codes. The areas mentioned can be grouped into internal oversight, internal personal integrity, and external oversight. Each area focuses on a different perspective of the same issue. Internal oversight measures are those individuals and committees inside the company that are charged by the organization with maintaining a vigilance concerning the behaviour of other employees. Internal personal integrity matters are concerned with individuals or committees within the organization to whom individuals may go if they are concerned with ethical matters that relate to their own actions or those of others within the organization. The external group is comprised of outside individuals or agencies that
are also used to monitor the ethical performance, and in some cases legal performance, of employees.

6. **Penalties for illegal behaviour (seven items).** This category examines the mechanisms that companies foreshadow as penalties for those individuals who breach the intent of the code. These items include a reprimand through to dismissal and some companies also invoke legal prosecution of their miscreant employees.

7. **General information (three items).** The information in this section examines general information that explores a number of dissimilar concepts that while not directly related, can provide more insights into the intent of the codes of ethics that are being analysed. It includes maintaining the corporation's good reputation, a letter from the CEO concerning the code and it being stated that the code was specific to a particular country or to the company's operations all over the world.

8. **Added (one item).** Equal employment opportunity was added as it was obvious that it had become a major issue in the corporate world of the late 1990s.

In the early stages of their reading of the content analyses of the public sector codes the researchers found that the current private sector-scales (PRISEC-scales) in research literature (Cressey and Moore, 1983; Mathews, 1987; Lefebvre and Singh, 1992; Wood, 2000) were inappropriate to the public sector codes of ethics in Sweden. Most of the items in the PRISEC-scales did not fit the well-developed public sector codes of ethics proffered by some of the private sector organizations. Too many of the items were not applicable at all. The instrument was rendered as inappropriate to be used to analyse the content of the public sector codes that were being examined. This situation created a dilemma for the researchers.

The researchers then decided to conduct an in-depth content analyses with the best practice codes of ethics available to them in the public sector of Sweden, in order to develop a customized public sector-scale (PUBSEC-scale). Initially, the code of ethics from the county council of Stockholm was judged to be a best practice case and subsequently it was used as a blueprint for the new instrument. While it formed the basis of the new PUBSEC-scale, elements from other codes were also added. The content analyses of these other codes of ethics collected from the public sector units led to our confirmatory belief in our scale development for the public sector.

**Description of the PUBSEC-scale**

The content analyses of public sector codes of ethics in Sweden generated the PUBSEC-scale consisting of seven dimensions and 41 items. The PUBSEC-scale consists of the following dimensions (the number of items belonging to each dimension is shown within the brackets):

1. Philosophy (seven items).
2. Labor environment (four items).
3. Leadership responsibility (four items).
4. Employee responsibility (nine items).
5. Equality (five items).
6. Involvement with publics (ten items).
7. Other issues (two items).

The variety of information provided in the public sector codes of ethics is rather extensive. It comprises many different topics that focus on the public good in Swedish society. In the
following paragraphs, the PUBSEC-scale is introduced and described. The items of each dimension are identified and are also briefly explained.

**Philosophy.** The dimension of philosophy refers to the values and fundamentals that should permeate the public sector unit's operations. It also has a focus on the wisdom, the reasoning, the beliefs, the ideology and the attitude that should represent the public sector unit in the society. The content analyses identified the following seven items:

1. **Unit history.** Places the organization's interest in ethics in context. Sets the scene for the public sector unit's staff in terms of the history of their unit and in some cases its future vision.
2. **Professionalism.** The standard to which one should aspire in the public sector unit, that is, to be professional in every sense.
3. **Integrity.** Trustworthy in who we are as individuals in the public sector unit.
4. **Loyalty.** Allegiance to the public sector unit.
5. **Kindness.** Show compassion to others inside and outside of the public sector unit.
6. **Honesty.** Tell the truth about ourselves and the operations of the public sector unit.
7. **Openness.** Do not hide situations in the public sector unit, but be forthcoming about them (off list).

**Labor environment.** The dimension of labor environment refers to the work situation in the operations of the public sector unit. It could also be an emphasis on the atmosphere, the surroundings, the milieu, the conditions, and the circumstances within the public sector unit. The content analyses identified the following four items:

8. **Consider psychosocial factors.** One needs to promote a happy, enjoyable workplace for staff. The focus is on staff contentment with the work at hand and the philosophy of working there. It is an emphasis on the intangibles in the public sector unit.
9. **Consider physical factors.** The physical work environment for staff. It is an emphasis on the tangibles in the public sector unit.
10. **Substance abuse.** A need not to let it influence one's work in the public sector unit. Drugs and Alcohol are often mentioned.
11. **Health of workers.** The public sector unit owes to its workers a safe and secure environment in which to work.

**Leadership responsibility.** The dimension of leadership responsibility within the public sector unit refers to the management's obligations, duty, care, and tasks towards the employees of the public sector unit. The content analyses identified the following four items:

12. **Supervisor responsibility to mentor others.** Supervisors need to focus on developing and helping staff to achieve their potential in the public sector unit.
13. **Enthuse others.** Motivate others as a leader of the vision of the public sector unit and in achieving it on a daily basis.
14. **Involve others.** Get staff involved in their work and the decisions of the public sector unit, leading to a collegial approach based on discussion and engagement.
15. **Make decisions.** Managers must take responsibility to make decisions and not hide behind the veneer of bureaucracy in the public sector unit.

**Employee responsibility.** The dimension of employee responsibility refers to the employees’ obligations, duty, care, and tasks in the public sector unit. The content analyses identified the following nine items:

16. **Promote ethics.** Everyone must be ethical and live it in the public sector unit.
17. **Engage with co-workers.** Interact with each other for the mutual benefit of every worker and the public sector unit.
18. **Promote information in the public sector unit.** Share information to promote greater internal understanding in the public sector unit.

20. *Resist inappropriate pressure*. Be strong in one's convictions of right and wrong in the public sector unit.

21. *Conflict of interest*. Ensure that you do not compromise your position in the public sector unit by a conflict of interest.

22. *Use of public sector unit's resources*. Don't use the resources of the public sector unit for personal use (e.g. computer, internet, and software).

23. *Use of information for personal use*. Don't use public sector unit information for personal advantage (e.g. confidential).

24. *Report infractions*. Employees are expected to report infractions in order to ensure that all is well in the public sector unit.

Equality. The dimension of equality refers to justice and fairness of the public sector unit. It could also deal with the balance, impartiality, egalitarianism, and sameness among individuals in the public sector unit.

The content analyses identified the following five items:

25. *Harassment*. No one should be subjected to harassment in the public sector unit.

26. *Discrimination*. No one should be discriminated against in the public sector unit.

27. *Ethnic diversity*. Everyone should celebrate ethnic diversity in the public sector unit.


29. *Gender issues*. Gender should be irrelevant to working and flourishing in the public sector unit.

Involvement with publics. The dimension of involvement with publics refers to the public sector unit's interaction with and commitment to various publics in the society. It has to do with the participation, the concern, the commitment, and the common interest with the community, the population, and the people. The content analyses identified the following ten items:

30. *Citizens as a focus*. The core operation as a public sector unit is focussed on the citizens, just as consumers are the focus in the marketing of private sector organizations.

31. *Promote employer to outside publics*. Be positive about the public sector unit for whom you work.

32. *Treat outside publics as ourselves*. A fundamental philosophy, that is, a partnership between the public sector unit and its constituent groups and publics.

33. *Supplier relations*. Treat suppliers with respect and dignity, that is, while they serve the public sector unit they shouldn't be perceived as servants.

34. *Media issues*. Can be damaging to the public sector unit so only senior managers are allowed to comment as they may well be in possession of a greater understanding of the situation than others in the public sector unit.

35. *Freedom of information*. Share our information with anyone who asks and has a vested interest in that information. Be open and frank.

36. *Prompt communication*. Always do things speedily, that is, do not delay for fear of the consequences to the public sector unit, because people are entitled to know.

37. *Interaction with all publics*. The public sector unit exists in the society to serve and benefit others. It could be through support, help, assistance, but it can also be through regulation, authority, recommendations, and guidelines.

38. *Sponsorship*. Needs to be considered carefully in the public sector unit.

39. *Protect the natural environment*. A need for the public sector unit to contribute to the conservation of resources in the society.

Other issues. The dimension of other issues refers to a mixture of diverse factors that should shape the operations of the public sector unit. The content analyses identified the following two items:
40. Legislation. Laws cited that govern the public sector unit.
41. Letter from the leadership. A letter from the head of the unit that makes the ethical ethos of the code all the more poignant and enforceable, if the leadership shows commitment by at least writing a letter to explain it all to the staff in the public sector unit.

Final remark

Initially, this research intended to use the existing private sector-scales of content analysis (Cressey and Moore, 1983; Mathews, 1987; Lefebvre and Singh, 1992; Wood, 2000) to examine the public sector codes of ethics in Sweden. As stated previously, they were inappropriate measures and it was necessary to develop a customized public sector-scale to perform the desired research. The PUBSEC-scale introduced in this section is completely different from the previously developed PRISEC-scales in literature. The PUBSEC-scale should be regarded as a generic framework to facilitate the examination and description of codes of ethics in the public sector in Sweden and one would contend may be transferable to an analysis of other public sectors elsewhere in the industrialized world.

Concluding thoughts

The theoretical and managerial implications of the public sector unit's operations and the code of ethics presented in the previous sections may be used for teaching and training purposes. The PUBSEC-scale could be used for the same purpose. The implications highlighted may also be used to position and compare the outcome of other replicating codes of ethics studies in other public sectors of other countries. These findings may also be applicable in an intra-unit context. This means that the principal dimensions involved would refer to the public sector unit's ethical expectations versus the ethical expectations of the employees of the public sector unit.

Within the public sector units in Sweden that were surveyed, ethics has begun to evolve. It does appear that this process is being seen as a positive force in the way that public sector units feel that they need to conduct operations in this country. The process of introduction and change varies from unit to unit, yet the results of this study tend one to conclude that many public sector units are beginning to address the issues inherent in ethical practice.

Evidence is now available to show that codes of ethics artefacts are well developed in some of Sweden's largest public sector units. The county council of Stockholm appears to represent best practice in the public sector in Sweden. The county council of Stockholm apparently sees a diverse range of benefits in developing the area of codes of ethics. Other public sector units are beginning to implement not only a code of ethics, but other complementary initiatives that reinforce the need for the culture of the unit to be more ethical than it has been until recently. Codes of ethics are perceived by these public sector units to assist them in their dealings in the society. It appears to be that many public sector units regard ethics as a necessity of increasing importance for their daily operations.

One could conclude that there appears to be some substantial differences between the codes of ethics in the public and the private sectors in Sweden. For example, the codes of ethics in the public sector encourage the focus on the right thing to be done by employees. As a consequence of this philosophical underpinning, it appears that the public sector strives for the maximization of human capital by controlling financial capital. The codes of ethics in the
private sector encourage the focus on employees not doing the wrong thing. In extension, it appears that the private sector strives for the maximization of financial capital by controlling human capital. The reason for the differences in views might be explained by the fact that the public sector is judged by the service imperative, while the private sector is judged by the financial imperative. The codes of ethics in the public sector appear to be more nurturing, more developmental of staff, less regulatory and less directive, however, both have the same goal of managing staff performance. Thus, this different focus becomes in itself really a tale of two ethical perspectives.

Both types of organization are trying to maximize organizational performance, but they are approaching the task from divergent perspectives, even though both of these perspectives are centred on employee behaviour. In the private sector, the focus seems to be to minimize the damage element caused by human interaction and to have everyone conform, while in the public sector it seems to be to maximize creativity and the service element of human interaction while celebrating each individual and their ability to do what is right.

What can the private sector learn from the public sector? In Sweden, the financial imperative is forcing public sector units to think and act more like private sector commercial enterprises. The focus seems invariably to be on what the public sector can learn from the private sector. In ethics, we suggest that one could pitch the idea as to what the public sector can teach the private sector or what the private sector can learn from the public sector: that is, a better, more complete management of human capital.

People are the critical resources in all interactions on behalf of organizations. Within the private sector, codes of ethics tend to be prescriptive documents that chasten staff to be mindful of their responsibilities, while in the public sector staff seem to be encouraged more to embrace the ideals of the organization. This development and recognition of a greater depth of personal engagement will lead to the intangible reward of constructing a better place at which to work and at the same time the employees will also be contributors to the betterment of the society. The public sector codes seem to be more positive in their approach and thus, the public sector organizations develop a mutually beneficial partnership between themselves, their employees and the society in general for whom and by whom, they have been created to serve. Perhaps, this is the missing link in the corporate world and why we continue to see renegade companies and miscreant individuals continue to flout convention and that subsequently results in the collapse of the corporation with all of the attendant pain for all stakeholders and the society in general. The belief in the private sector may well be that the company has been created and further developed over time in order to serve its own best interest and thus, its employees and society are lesser considerations. There is not enough of a widespread enunciation of the recognition by senior executives of large corporations that companies are allowed to operate by society and therefore they should be more focussed than they currently appear to be on how they can contribute to improve that society. The profit imperative has clouded their social imperative and in doing so has led them to produce regulatory, self-centred documents that focus on “corporate continuance” (Wood, 2000) rather than on “corporate contribution” to the society in general.

Suggestions for further research

This research was limited to the top entities of government, county councils, and municipalities in the public sector of Sweden. Sweden is a rather unique society in that the public sector is large and still dominates in many areas in the country's society. There have
been a number of instances of deregulation in the public sector in the last decade or more. These have occurred in the telecommunications, railway transportation and electricity industries.

The public sector is going through major changes in Sweden and around the world, and to varying degrees is becoming privatised. Therefore, a suggestion for further research is to compare the best practice of the private and the public sectors in Sweden or elsewhere in terms of the codes of ethics artefacts. The comparison of best practices could push our understanding beyond current boundaries and imaginations. Furthermore, a comparison of the commitment to ethics in the private and the public sectors could also be a contribution that generates new insights in the field.

This research was limited to internal ethical expectations of public sector units, which in itself lacks an investigation of external ethical considerations. The commitment to business ethics is usually explored in terms of internal ethical expectations, but the simultaneous consideration of the external ethical expectations in the society (e.g. among citizens, politicians, suppliers and customers or other publics) is desirable. Therefore, a dyadic approach considering the public sector unit's internal ethical expectations and the external ethical expectations of the public sector unit's operations in the society is another suggestion for further research. In addition, a suggestion for further research is to simultaneously consider the public sector unit's internal expectations of the leadership and the expectations of these same leaders by their employees. The former research proposal would have an external approach, while the latter would have an internal approach, to the commitment of code of ethics in a public sector unit's operations in the society.

<table>
<thead>
<tr>
<th>Year of code establishment</th>
<th>Public (n = 27)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996-2002</td>
<td>22</td>
<td>81.5</td>
</tr>
<tr>
<td>1991-1995</td>
<td>3</td>
<td>11.1</td>
</tr>
<tr>
<td>1985-1990</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>1980-1984</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Pre-1980</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Don’t know</td>
<td>2</td>
<td>7.4</td>
</tr>
<tr>
<td>No response</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Table I. Year code established**

<table>
<thead>
<tr>
<th>Involved in the establishment</th>
<th>Public (n = 27)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief executive officer</td>
<td>17</td>
<td>63.0</td>
</tr>
<tr>
<td>Board of directors</td>
<td>17</td>
<td>63.0</td>
</tr>
<tr>
<td>Senior managers</td>
<td>14</td>
<td>51.9</td>
</tr>
<tr>
<td>Other staff</td>
<td>4</td>
<td>14.8</td>
</tr>
<tr>
<td>Customers</td>
<td>1</td>
<td>3.7</td>
</tr>
<tr>
<td>Other</td>
<td>8</td>
<td>29.6</td>
</tr>
<tr>
<td>Don’t know</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>No response</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>61</td>
<td></td>
</tr>
</tbody>
</table>

**Table II. Individuals involved in the establishment of the code.**

*Note: This question permits a multiple response, therefore, the total number of responses is greater than the number of returned questionnaires.*
Table III
Time taken to develop the code.

<table>
<thead>
<tr>
<th>Time taken to develop the code</th>
<th>Public (n = 27)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 6 months</td>
<td>5</td>
<td>18.5</td>
</tr>
<tr>
<td>6 months-1 year</td>
<td>6</td>
<td>22.2</td>
</tr>
<tr>
<td>1-2 years</td>
<td>7</td>
<td>25.9</td>
</tr>
<tr>
<td>&gt; 2 years &lt; 5 years</td>
<td>3</td>
<td>11.1</td>
</tr>
<tr>
<td>&gt; 5 years</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Continues to evolve</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Don't know</td>
<td>6</td>
<td>22.2</td>
</tr>
<tr>
<td>No response</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table IV
Company induct new staff in respect to the code.

<table>
<thead>
<tr>
<th>Staff induction method re the code</th>
<th>Public (n = 27)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copy issued</td>
<td>12</td>
<td>44.4</td>
</tr>
<tr>
<td>Interviews for new senior managers</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Part of employment acceptance letter/contract</td>
<td>2</td>
<td>7.4</td>
</tr>
<tr>
<td>Policy manual</td>
<td>2</td>
<td>7.4</td>
</tr>
<tr>
<td>Training and discussion</td>
<td>14</td>
<td>51.9</td>
</tr>
<tr>
<td>Employee contract</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Signed receipt</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Sub-total: induction method</td>
<td>30</td>
<td>77.8</td>
</tr>
<tr>
<td>No staff induction method shown</td>
<td>7</td>
<td>11.1</td>
</tr>
<tr>
<td>Don't know</td>
<td>3</td>
<td>11.1</td>
</tr>
<tr>
<td>No induction programme</td>
<td>2</td>
<td>7.4</td>
</tr>
<tr>
<td>No response</td>
<td>1</td>
<td>3.7</td>
</tr>
<tr>
<td>Sub-total: no induction method shown</td>
<td>6</td>
<td>22.2</td>
</tr>
<tr>
<td>Total</td>
<td>36</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Note: This question permits a multiple response, therefore the total number of responses is greater than the number of returned questionnaires.

References


Further Reading


