

INTEGRITY, COMPETENCY AND ETHICAL BEHAVIOUR

Utpalendu Mondal*

Abstract:

Through this discussion we understand the definitions of integrity, competency, eleven types of common competencies which are predominated in several organizations, meaning of code of ethics and general setting standards of ethical behaviours. The objective of the paper is to make the inter relationship of competency and Ethical behaviour. This is introducing some code of business in Ericsson.

Key words: Integrity, Competency, code of ethics, ethical behaviour.

* Asst. Prof., Dept. of Humanities, Birbhum Institute of Engineering & Technology, Birbhum-731101, W.B., India.

Introduction

Integrity is one of the most sought- after qualities not only of individual employees but also of companies. The first component of integrity is trust which is very important in between employees' relationships of an organization and relationship between different organizations. Trust denotes the fairness and respectfulness in relationships and business transactions at in and out of the organization. Establishment of trust makes employers and employees transparent. Trust and integrity are inextricably connected. Individuals and organizations use the presence or absence of integrity to determine whether an extension of trust is warranted. The second component of integrity is the reputation of the firm and their business. Company's lower reputation demises the run of business in long terms and makes harder condition in employees' and customers' retention. Core content areas are personal integrity, professional integrity, and organizational integrity. Competency embraces ethical practices and behavior in the workplace. It also places an emphasis on skills and abilities. Competency and ethical behaviour may co exist in respect of following law, rules and respect.

Objective of the study

- Concept of Integrity
- Concept of competency and types
- Setting Standards of Ethical Behaviour
- Correlation of competency and ethical behaviour in respect of code of ethics.

Integrity

People often define integrity as doing the right thing even when no one else is around. It is the ability to act with honesty and be consistent in whatever it is one is doing based on the particular moral, value or belief compass he has. Beliefs, values and morals all relate to the culture in which he operates, therefore, culture plays a role in determining exactly what integrity involves. Different dictionaries have defined as

Adherence to moral and ethical principles; soundness of moral character; honesty.
(Dictionary.com Unabridged -v 1.1)

Steadfast adherence to a strict moral or ethical code. (The American Heritage Online Dictionary)

Firm adherence to a code of especially moral or artistic values; incorruptibility.(Merriam-Webster Online Dictionary)

The quality of being honest (Cambridge Online Dictionary).

Competency

Competency is the observable and measureable behavioural outcome of a person's underlying characteristics as skill, self knowledge, prior experience, motivation etc. which proves his desire and willingness to demonstrate effective and superior performance in a job.

Pioneers of the concept of competency and models

A growing interest of competency among managers and human resource professionals in recent years, the modern competency movement in industrial-organizational psychology actually dates from the mid 1950's and early 1970's. In that regard, **John Flanagan's** work 'Critical Incidents Techniques' (1954) and Dave McClelland's studies (1970) might be cited as two landmark efforts that originally invented the concept of competency. **D. McClelland** added competency as "Testing for competence rather than intelligence." The 'Occupational Competency' movement was introduced by David McClelland. In 1980, **R.E. Boyatzis** introduced mature competency modeling as "Certain characteristics or abilities of the person enable him or her to demonstrate the appropriate specific actions." He had given stress upon specific behaviour and clearly defined performance outcomes. He has pointed out some specifications following John Flanagan's concept collecting and analyzing examples of the actual performance of individuals doing the work. He also introduced behavioural event interview (BEI). **In 1979 Hayes conveyed** "competence" as being more than just a blend of ability and willingness and "defined it in terms of a number of possibilities; generic knowledge, motive, trait, social role, or skill of a person linked to superior performance on the job." **In 1989, Albanese introduced:** "Competencies are personal characteristics that contribute to effective managerial performance". **Hartle (1995)** argues that competency as 'a characteristic of an individual that has been shown to drive superior job performance', includes both visible 'competencies' of 'knowledge and skills' and 'underlying elements of competencies', like 'traits and motives'.

Hoffmann (1999) uses the term ‘competency’ to refer to this ‘behavioural’ approach, which he suggests is more likely to be used in the private sector.

Parry (1996) defines competency as “... a cluster of related knowledge, skills and attitudes that affects a major part of one’s job, that correlates with performance, that can be measured against well accepted standards, and that can be improved via training and development.” **UNIDO (2002)** defined “a Competency is a set of skills, related knowledge and attributes that allow an individual to successfully perform a task or an activity within a specific function or job.” **Seema Sanghi (2007)** defined competency in the book *the Handbook of Competency Mapping* where the term competency’ refers to the behaviour by which it is achieved”.

Analyzing the roots of competency from the beginning to present, it is finding out that there are two basic levels of competencies: technical competency and behavioural competency. The first level, Technical Competencies predominately includes acquired knowledge and technical abilities and skills. These competencies are visible and one can develop those if he / she pays effort for it. The second level of competencies is Behavioural Competencies, which are harder to see and develop. These are key indicators of how an individual approaches his/her work. Analyzing different organizations, generally eleven competencies are selected out which are commonly found.

Technical Knowledge

1. **Legal & Legislation:** The term legal denotes that it is pertaining to law, the connection with the law or related to administration of the organization. Legislation or statutory law is law which has been promulgated or enacted by a legislature or other governing body, or the process of making it.
2. **Appraisal:** An assessment or careful analytical evaluation, estimation of the worth, value, or quality of a person or thing. In an organization, appraisal provides important feedback about how well the individual is getting along in the organization.
3. **Systems:** A system is a set of interacting or interdependent components forming an integrated whole or a set of elements. It may also refer to a set of rules that governs structure and/or behavior. It includes specific organizational structure, behavior, interconnectivity,

Thinking Skills

4. **Analytical Thinking and Judgement:** Analytical thinking is the ability to approach a problem by using a logical, systematic, sequential approach. It is a systematic process of thinking to solve the problem focusing the drivers behind the issues, knowing the basis of the analysis, specific techniques and the process of presentation of viable solutions for solving critical problems. It follows the scientific approaches:

- Define the Problem
- Test in the form of Hypothesis
- Focus on Facts
- Analysis (Various Analytical Tools)
- Recommend a Solution

Judgement: Judgement is the evaluation of evidence in the making of a decision. The term has four distinct uses: informal, informal and psychological, legal, religious.

5. **Planning & Organizing:** Planning is the process of thinking about and organizing the activities required to achieve a desired goal. Planning is a fundamental property of intelligent behavior. It combines forecasting of developments with the preparation of scenarios of how to react to them. Organizing is the act of rearranging elements following one or more rules. Planning and organizing establishes courses of action for self and others to ensure that work is completed efficiently and effectively in accordance with core values. The ability to define tasks and milestones to achieve objectives, while ensuring the optimal use of resources to meet those objectives.

Personal skill /Professional Effectiveness:

6. **Communication Skills:** It reflects the skill or ability of an individual to listen to others and communicate in an effective manner which helps to grow inter personal relationship.
7. **Innovation & Change Management:** The ability to look at situations from multiple perspectives. The tendency or ability of individuals to do or create something new. The ability to create solutions to problems using novel methods and processes.
8. **Customer Focus:** The ability to identify and respond to current and future clients needs; provide excellent service to internal and external clients.
9. **Professional Conduct:** Professional conduct is the field of regulation of members of professional bodies, either acting under statutory or contractual powers. Historically, professional conduct was wholly undertaken by the private professional bodies, the sole legal

authority for which was of a contractual nature. These bodies commonly established codes of conduct and ethical codes for the guidance of their members.

Team Skills

10. **Team Member Skills:** It is the ability of team members to work effectively and complete the assigned jobs within specific time through group setting. To achieve common goal, the individual member can work effectively and cooperatively with positive attitude. Individual can maintain the friendly atmosphere in team, paying respect and dignity to other members and consider values of other's contribution and achievements.

11. **Team Leadership Skills:** The ability to effectively manage and guide group efforts and includes providing appropriate level of feedback concerning group progress.

Out of eleven common levels of competencies, communication skills and team member skills are coming under behavioural competencies and others are coming under technical competencies. Different organizations evaluate the competencies applying different competency mapping process. Individual organizations have their own HR frame work and competency models. They can evaluate their employees on their own parameters.

Setting Standards of Ethical Behaviour: Designing and implementing Codes of Ethics.

Over two hundred years, different organizations have paid their efforts to introduce specific standards of ethical conducts for their employees to follow. Code of Ethics basically reflects an organization's primary value, norms, beliefs and ethical rules of operations. Code of Ethics must be framed in an organization to encourage ethical behaviours. Crane Andrew and Matten Dirk conceptualized the code of ethics, "Codes of Ethics are voluntary statements that commit organizations, industries, or professions to specific beliefs, values and actions and/ or that set out appropriate ethical behavior for employees." Mainly four types of ethical codes are indicated below.

➤ **Organizational or corporate code of ethics:** It is dealt with specifically by a single organization. Code of ethics is also explained as code of conducts or code of business in different organizations. Basically, these codes identify and encourage the ethical behavior in a single organization.

- **Professional codes of ethics:** It implies some identified ethical behaviours or ethical guidelines for the professional groups. Traditionally few professional groups regarding medicine, law, accountancy etc were guided by some longstanding identified and encouraged ethical behaviours or code of conducts. But now the common professionals such as marketing, purchasing, engineering are also being guided by their own codes.
- **Industry codes of ethics:** The industries have some code of conducts for the industry and employees who are operating industries. For example- in 2005, regarding electronics industries, version 2 of code of ethics was established in International level, ensuring the working conditions of the employees, providing securities and safety for supply chains, paying dignity and respect to the workers, maintaining the environmental responsibilities of the manufacturing industries. The code was established and developed by a group of electronics products manufacturing industries as HP, IBM, Dell, Celstica, the Toronto based firm that manufactures Xbox 360 hardware. It has since been adopted by some different Multi National Companies as Intel, Microsoft, Sony and Sisco.
- **Programme or group codes of ethics:** Certain programmes, coalitions, or other sub grouping of organizations also establish codes of ethics for those participating in the specific programmes. Sometimes, conforming to a particular programme code is a prerequisite for using a particular level or mark of accreditation.

Code of Ethics in Ericsson

Ericsson (*Telefonaktiebolaget L. M. Ericsson*), founded in 1876 as a telegraph equipment repair shop by Lars Magnus Ericsson, it was incorporated on August 18, 1918. It is one of Sweden's largest companies, is a provider of telecommunications equipment, data communication systems, and related services covering a range of technologies including mobile networks. In mid 2012, Ericsson was the world's largest mobile telecommunications equipment maker with a market share of 38%.

Ericsson maintains the highest level of integrity and ethics in the conduct of business. It is critical to maintain trust and credibility with all customers, partners, employees, shareholders and other stakeholders with a strong sense of integrity. They maintain transparency in the conduct of business. Their Code of Business Ethics contains rules regarding individual and peer

responsibilities, as well as responsibilities to their employees, customers, suppliers, shareholders and other stakeholders and it includes:

- Compliance with laws, rules and regulations (including insider trading laws)
- Protecting confidential and other proprietary information and that of our customers and vendors
- Protection and proper use of company assets
- Respecting human rights throughout our business operations
- Dealing with conflicts of interest
- Promoting full, fair, accurate, timely and understandable disclosure in financial reports and other public communications
- Protecting the environment
- Supporting the reporting of any unlawful or unethical behaviour.

Conclusion

Discussing the paper we realize that integrity is very vital for an organization to continue its business in long terms, to hold the reputation regarding brand and products, to maintain the dignity and recognition of the employees through the practice of transparency, trust and respect. Competency is the behavioural outcomes of skill, knowledge, attitudes, self respect and motivation. Competency embraces ethical practices and behavior in the workplace. Competency and ethical behaviour may co exist in respect of following laws, rules and respect.

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