

POLITICS OF ETHICS FORMALIZATION IN COMPANIES CASE STUDY: FAURECIA

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ABSTRACT

My article starts from the following observation: more and more companies explain and affirm publicly their "ethic" by different types of documents, they invest more and more resources to conceive this dimension. I would like to concentrate upon this concept of ethics formalization. Ethics formalization consists in transposing, in an explicit manner, in written, the ideals, values, principles and requests of the company. So, it has the aspect of a document of reference elaborated by the company within which there are specified its values, having an ethical dimension.

KEYWORDS: *ethics, formalization, ethics code, values, treatment equality.*

1. The ethic document – conceptual framing

By an ethic document it may be understood a written transcription of the ideals, values, specific requests of the corporative culture. According to Berenbeim, this is a major mechanism to establish the ethical principles. Indeed, this is encountered between law and internalized values of the society, so, is one of the few practical instruments which companies may use to demonstrate their commitment towards ethical principles.

Ethical documents offer to all employees a common base in the decisional process. An ethical formal politics allows, in addition, the specification of the acceptable behaviors and may imply, sometimes, the institution of a sanction system in base of deviation. This way, the document crystallizes the ethical dimension of the organization: its code of conduit and vocation leaves to the apparition of some common values. As well, it tries to harmonize the attitude of all in order to respond to the company's purpose and may offer peaceful guide marks for the personnel.

2. Factors that leave to the ethics formalization

Continuing, I will present the contribution of Robertson and Schlegelmilch which is based upon 813 questionnaires (711 companies of USA and 102 companies of UK-the companies from the questionnaires are among the biggest from both countries), making a comparison between Great Britain and United States.

Figure no.1 analyzes the main reasons for applying an official politics of ethics given by the mentioned companies.

2.1. Internal explicative factors

a) *The bigger pressure of the socio-political environment*

The consumers groups and the new socio-cultural environment oblige the companies to integrate more in taking into account the environment in their activities.

There is a cumulative process of new obligations, that take the form of some ethical “implicit” standards, of laws or established settlements by the national instances, of collective measures taken inside the associations (no matter if they are or not, professional).

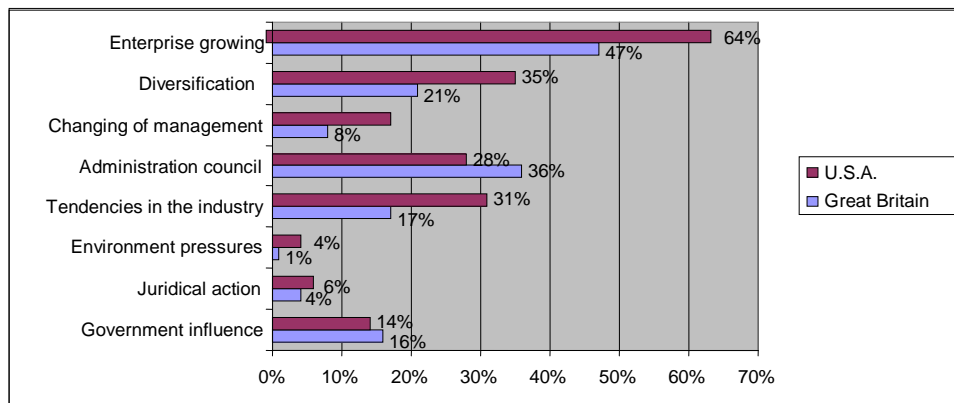


Figure 1 Invoked reasons for adopting an ethical document

Source: Robertson Diana C., SCHLEGELMILCH Bodo B., “Corporate Institutionalization of Ethics in the United States and Great Britain”, Journal of Business Ethics, n°12, 1993, p. 305.

b) Technical-economical environment

In the age of “complexity”, organizations cannot be governed efficiently by bureaucratic hierarchies. It is, indeed, impossible to administrate this complexity by few people that think and command and by a majority who executes. The participative management is, this way, an economical necessity. It is not anymore the matter of buying the work force but assuring a voluntary cooperation, of those from the company.

2.2. Internal explicative factors

a) The strategically necessities of the company

Searching for the growing and diversification are for the companies the main releaser factors of drawing up of an ethical document, the company dimension being a fundamental variable in the formalization process.

When companies develop, they need to improve and formalize the communication networks. The factor *size* is a fundamental factor in the decision to formalize the company’s ethics. This observation was already demonstrated by White and Montgomery in 1980, the percentage of companies that responded affirmatively to the question: “Does your company have an ethical code?” being strong and positively correlated to the size: 40% of the small companies, around 75% from the medium ones and almost 100% from the big ones adopted a code.

b) The decisional process of the leaders

The ethics problematic in the company is, clearly, a matter of the corporative politics and appears in first place as a necessary position from the superior management.

3. Benefits of the ethics formalization

The American poll realized by Opinion Research Corporation in 1980, allows the acknowledge of the company managers regarding the brought benefits to the ethics formalization. The main advantages of the company code are:

1. clarifies what is considered to be ethic or non ethic in the organization (91%);
2. offers a better juridical protection for the society (78%);

3. raises the pride and loyalty towards society (74%);
4. raises the public trust in the company (66%);
5. offers a better legal protection for the managers (65%);
6. improves the prevention of the ethical conflicts 64%);
7. reduces corruption (57%).

In the same study, two advantages based upon economical problems (which are easier to estimate quantitatively) are less mentioned:

8. improves the quality (14%);
9. raises the productivity (12%).

With all these, the relative importance of these benefits may vary depending on the companies cultures, in the measure in that the general purpose and specific objectives of the ethic document vary very much depending on the company culture.

4. Case study – ethic code of Faurecia

The French group productive of auto components Faurecia disposes, currently, of market quotes important in Germany and Spain, in the interior auto domain, especially of the board panels, of drawings and acoustic modules. In Romania, the French group detains the company, Faurecia Seating Tălmăciu, from 2003, and overtook in January 2008, 50% of the company Euro Auto Plastic Systems (Euro APS) from Mioveni from the Portuguese company Simoldes Plasticos, what will allow them to extend the collaboration with Renault, especially for the program Dacia Logan. Euro APS produces and delivers among other, door panels, protection bars and amortization systems for the noise to the plant Dacia from Pitești.

The ethical code of the Faurecia Group defines the conduit principles that must be applied in the quotidian relations, interiorly and exteriorly. At the same time serves as a guide to raise the responsibility and implication of the Group's personnel.

Among the themes that appear mostly in the ethics codes, there may be mentioned the applying of the law, a certain hierarchy spirit, the respect for the environment, responsibility and professional commitment to the top level, socializing, workers rights (respect for the private life, discrimination absence, syndical pluralism), democracy defending, interest for the community, transparency and honesty, health and workers security, relationships supplier-client.

The legislation is present in all codes. Companies are differentiated in what regards the manner, in which laws are applied, and they may respect the aspects of international right in addition to the laws in the countries where the activity is developed or to respect only the legislation of the countries where they function.

In the ethical code of Faurecia this aspect is this way developed:

4.1. Law observance

The societies from Faurecia Group, as well as its employees, are kept to respect all laws and settlements from the countries where they are present.

4.2. Prohibiting the children work

Faurecia Group submits to the legislation and national regulations referring to the work realized by children. In any case, it categorically prohibits using under age children, under 16 years old and it conforms to the regulations of the International Organization of Work referring to the health, security and morality of the young men with ages between 15-18 years old.

Protecting the environment is the most spread homework in the ethical codes. It illustrates perfectly what represents the *fashion effect*. Protecting the environment is a „must” for the last decade, being one of the most popular subjects from mass-media.

4.3. Protection of the environment

Faurecia Group is implied in actions destined to protect the environment and to improve its protection.

During the development of their quotidian activities all the co-workers of Faurecia Group are sensitive and responsive for protecting the environment, especially regarding the following aspects: reducing the waste products and polluting products, protecting the natural resources and recycling the materials on each stage of the production cycle; active implication in a development politics and applying of the technologies destined to reduce the polluting emissions.

Faurecia Group is implied to evaluate permanently the impact of its products and of its factories upon the environment and communities with which these come in contact, with the preoccupation of a constant improvement.

Responsibility, as well, reappears in many ethic codes. All hope that all people assume the responsibility. According to Philippe de Woot, „knowing to measure and assume the consequences of your own actions constitutes a whole ethic; responsibility ethic”.

Solidarity and social cohesion are evidently, wanted in a group, that makes to be normal to request them in a group of a certain level, such as a company. One of the ethic’s roles may be effective that of socializing, but, as Robert Tollet, emphasizes, ethic should not be abused only to have a peaceful conscience.

4.4. Liberty of expression and social dialogue

Faurecia group tries to develop a trust relation to all levels of the company, inviting the members of its personnel to express freely, especially to improve the work background. The quality of information change and communication among employees and institutions that respond on them is a central element of the social dialogue within the Group.

Faurecia Group is implied to assure in useful time the informing and concentrating with the representatives of the personnel of each juridical entity or with the representatives of the personnel at European level and to respect the own legal obligations for each country.

Relationships with clients and suppliers, are hard to handle, and it is preferred that these should be as good as possible, with the observance of some rules. Also, it must be avoided framing in the corruption cases by accepting of “repeated invitations” or “regular presents”.

4.5. Relationships with clients, performers or suppliers

4.5.1. Presents limitation or entertainment received from the clients and/or performers or offered to them

Its is prohibited the acceptance of any present or gratification from clients or suppliers, with a value bigger than 50 EUR per year and per business partner, no matter its form (especially money, material goods, services, entertainment, travels). In the case where the presents get to their addressee, these presents must be returned immediately to their sender. In the case where the denial of the present or its return may be considered an impoliteness, the beneficiary has the obligation to inform the Department Manager of

Human Resources and the Director of Juridical Office it depends, will decide referring the respective present, observing all the ethic principles of Faurecia Group and, in addition, the beneficiary will ask to the supplier or client in future not to offer this type of presents.

Also, it is prohibited to give gratifications in cash, nature or any other type, inclusive the entertainment ones or sponsorship, directly or indirectly, to any representative of a client or supplier, with the purpose of obtaining a contract or any other commercial or financial advantage.

4.5.2. Selecting the goods and services suppliers

The selection of a goods or services supplier for the Group must be based upon quality, necessity, performance and cost. It is the responsibility of each one of the employees and management that on the entire period of negotiation with the suppliers to promote the Group's interests, according the law, to notify the best opportunities and obtain the best conditions, making abstraction of any favor based upon friendship or criteria of discrimination prohibited through these ethical principles.

Respecting the confidentiality of certain information and of the private life of persons is reproduced in all ethical codes, being a demonstration of the process of passing step by step from ethics towards the deontological plan; lawyers are more and more preoccupied of distinguishing the good from the bad.

4.6. Confidentiality

4.6.1 Confidentiality of personal data of the employees

The societies of Faurecia group and their employees must be very vigilant and to observe the laws assembly and regulations that govern the protection, usage and confidentiality of personal data. In this framework, information referring to the private life of the employees, referring data of the performances evaluation, advancing and remuneration, must be confidential. The access to this type of information is reserved only to authorized persons.

As a result, co-workers of Faurecia Group must not gather information referring the private life of other employees, besides those necessary for the administration of human resources or other legitimate professional reasons and this only within the authorized limits by the laws in force; they must guarantee the right to access, verification and correction of personal information referring to employees, in accordance with the laws and regulations in force; they must not communicate personal information to third parties, with the exception of exceptional cases, authorized by the law and regulations in vigor.

4.6.2. Confidentiality and protection of the goods, documents and data of Faurecia group

The files, goods, technical data and different confidential information regarding the Society, constitute important actives that may be proved as essential to keep the results and the concurential advantage of Faurecia Group. The assembly of these elements constitutes the Society property and must be returned by the employee in the moment of closing the work contract.

It is prohibited to any employee of Faurecia Groups to divulge these elements, without having the authorization of third parties or other co-workers of Faurecia Group that are not empowered to detain these information. It is categorical prohibited the use in personal purpose, directly or indirectly of the obtained information within the professional activity.

Not respecting of this rule, may constitute the object of a judicial pursuit, in the virtue of the applicable regulations in the work right, civil right or penal right.

In a company we are in a space public and we must respect the life laws in the society.

4.7. Equal treatment

In its actions of recruit but also in the administration of the professional evolution ones, Faurecia Group commits not to make any discrimination on age, sex, race, nationality, religion, health condition or handicap, sexual orientation, political opinions, philosophical or syndical.

Each one of the employees has the right to work in a healthy environment, protected by any form of hostility or harassment, qualified as being illicit, in the sense of regulations and usage in force in the countries where Faurecia Group develops its activity.

Faurecia Group prohibits especially any illicit conduit consisting in sexual harassment or moral, including in the absence of hierarchic or subordination connections.

4.8. Young men integration and instruction development

Faurecia Group commits to promote the forming devices, preferring the introduction in the professional life, facilitating the access to different types of contracts formalized by students during their formation (especially apprenticeship).

Faurecia Group struggles to allow to each of its employees, no matter the work place in the world, age, sex or function, to have Access, along its career, to the necessary instruction actions for the exercise in good conditions of its profession and of constructing its professional life.

Faurecia Group encourages each employee to become the actor of its professional evolution and commits to ensure equal chances for the evolution and professional mobility.

Conclusions

We can ask ourselves if the fact that imposing discipline and assuring an ethical behavior to its environment is a competitive advantage for the company and compensates on medium term the risks of losing contracts due to un-loyal competition. Within this framework, costs generated by realizing an official politics of ethics are treated as an investment. The last one becomes “viable”, in the case where formalization is used as an instrument of consensual administration in the interior and exterior of the company. Starting an ethical procedure in almost all big companies shows that formalization has become a new dimension of the corporative dimension completing the strategy. In a similarly manner, to an internal level, ethic formalization is desired to be a strong instrument to make behaviors more predictable. This is, as well a stability element to face permanent changes that affect the organization lives.

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