

**Development of the social technology for constructing service  
workers' ethics of behavior**

***Desenvolvimento da tecnologia social para a construção da ética de  
comportamento dos prestadores de serviço***

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**ABSTRACT**

The findings of our previous research of the social construction of the ethics of the employees of the service industry in St. Petersburg in 2014 (N135) and in 2016 (N483) have been added to the modern research analysis of ethics constructing processes in an organization. The article presents a managerial aspect of the problem, specifically the development of a social technology for constructing service workers' ethics of behavior. The results of the technology introduction into the activities of an organization in Russia are also submitted for consideration.

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**Keywords:** organization, ethics, business ethics, ethics of conduct, Russia, social technology, ethics of employees, ethics of leaders.

### **RESUMO**

*Os resultados de nossa pesquisa anterior sobre a construção social da ética dos funcionários da indústria de serviços em São Petersburgo em 2014 (N135) e em 2016 (N483) foram adicionados à análise de pesquisa moderna dos processos de construção da ética em uma organização. O artigo apresenta um aspecto gerencial do problema, especificamente o desenvolvimento de uma tecnologia social para construir a ética de comportamento dos prestadores de serviço. Os resultados da introdução de tecnologia nas atividades de uma organização na Rússia também são submetidos à consideração.*

**Palavras-chave:** *organização, ética, ética de negócios, ética de conduta, Rússia; tecnologia social; ética dos funcionários; ética dos líderes.*



## 1. INTRODUCTION

The findings of our previous research (Pavenkov, Vilyamovich, 2019). have been added to the modern research analysis of ethics constructing processes in an organization. This article presents a managerial aspect of the problem, specifically the development of a social technology for constructing service workers' ethics of behavior.

Ethics is a subject of ongoing research both in the organizational sphere and in the management studies. Having originated in the ancient times, ethics persists in affecting all spheres of human life and activities, including business. This phenomenon is characterized by an extensive body of literature reflecting the use of diverse conceptual and methodological approaches. There has also been an unprecedented rise in the engagement with ethics in various business contexts as a result of a number of corporate scandals, for example at Steinhoff, Worldcom, Enron and Lehman Brothers (Alvesson, 1996).

Kummert's work "Strategies for morality in the capital market: well-known financial market players give an idea of their understanding of ethics" (2013), provides information on the survey of 38 prominent professional players in the capital market, mainly members of the board of directors and bank managers, about their understanding of business ethics (Kummert, 2013). Of particular interest were the questions of the role played by ethics at the interface between profit and morality, how ethical mechanisms work, and how they can be used to disguise self-interest. The classification of socially significant phenomena, such as justice and equality in this context, was the subject for the author's analysis along with the idea of the existent ethical state of capital market participants: the frequently expressed assertion that professional participants in the capital market do not understand ethics and morality, was on no account justified. Business relations ethics can provide significant added value that proceeds to separate ethics and economy.

All organizations face serious threats on a daily basis due to ethical violations and misconduct on the part of employees, managers and stakeholders (Andreeva, Rubtsova, 2017). However, successful organizations are the ones that focus their efforts strategically. In strategic management the ability to plan for the future makes a difference. There is an old adage, "if you fail to plan, you are planning to fail". Each enterprise has a vision and mission. Strategic management takes into account both of them. Strategic management helps to achieve organizational goals in an efficient and efficacious manner (Usiaeva et al, 2016).



Nevertheless, it is necessary to emphasize some other impressive techniques that can enhance the efficiency of the organization, such as the ethics of conduct of the workers in the organization. Developing and implementing this approach helps organizations excel in their operations and arrange well-coordinated teamwork.

The basis of ethical behavior goes far beyond the corporate culture and policy of any particular organization, as it depends considerably on the early moral education of an individual, other institutions that affect an individual, and the competitive business environment where the organization and society as a whole are located. Thus, the research of ethics and tools for its construction is absolutely essential for an organization.

#### Research questions

1. What tools are used in the organization to construe ethics of behavior.
2. What the relationship between the features of the organization's ethics at different stages of the organization's life cycle is.
3. How social technology can contribute to the formation of ethics.

## **2. THEORETICAL FRAMEWORK**

A characteristic feature of countries with economies in transition is that the institutionalization of ethics lags behind that in developed countries. For example, in Hungary, according to a survey conducted in the Hungarian corporate sector, only 23 % of companies have a code of ethics (Ernst & Young, 2010). A study conducted in Romania among 631 companies in 81 industrial sectors showed that only 18.5 % have a code of ethics (Constantinescu, 2013). In the same survey, half (50 %) of respondents stated that the development of a code of ethics takes less than 6 months, 16.7 % of respondents indicated that the development time is more than two years. For the question, "How was the code of ethics developed?", 16.7 % respondents answered that it was adopted from the parent company, whereas the answers related to the development of the code by employees or management provided the same percentage ratio. Notably among the responses analyzed none of the respondents mentioned the involvement of external consultants.

In the survey, amidst respondents who had a code of ethics, 66.7 % declared that the code of ethics was regularly reviewed and updated. Among those interviewed who did not update the code of ethics, the main reason that impeded the implementation of ethics management and compliance systems was identified as the lack of a budget.

Several studies demonstrate findings showing that organizations with codes of ethics exhibit more ethical behavior than those with no codes (Tsalikis, Fritzsche, 1989). A review of 79 empirical studies by Kaptein and Schwartz (Kaptein, Schwartz, 2008) discovered that conclusions on the effectiveness of codes are equally divergent: 35 % of the studies confirmed the effectuality of ethical codes, 16 % found their efficacy rather weak, 33 % of studies disclosed that there was no significant link between codes and ethical behavior, and 14 % of those surveyed rendered mixed results. One survey even revealed that the code could be counterproductive (Kaptein, Schwartz, 2008). These mixed results can be explained by the fact that mere existence of a code does not necessarily mean that it is effective. In a similar vein, Cooper notes that “A code of ethics cannot make people or companies ethical. Hammers and saws cannot make furniture. In both cases, they are essential tools that need reasonable design and use.” (Cooper, 1990). Based on structured interviews with 348 managers in Irish companies, the authors concluded that “codes are important for setting the tone”(Cooper, 1990). In a survey with 302 CFOs Stevens and others exposed that training programs based on a code of ethics were positively associated with ethical decision-making (Stevens, Steensma, Harrison, & Cochran, 2005). Therefore, it is important that communication activities regarding the code of conduct were held regularly, highlighting its relevance to management and employees.

A UK research among 92 private sector companies found that 56 companies had a code of ethics (Preuss, 2009). This suggests that not all organizations to date have developed a strong organizational commitment to embedding codes of ethics in the corporate practice. Most of the codes (69.6 %) were created over the past 10 years. This may indicate a rather recent need for the creation of codes of ethics in these organizations in connection with developments in the market and society at large. In most companies, senior officials were the main actors in the development of the code of ethics, and only one third of the companies involved frontline employees in the process (Yee, Yeung, Cheng, 2004).

Weaver, Trevigno, and Cochran (1999) observed that leaders exercise an important influence on the efficacy of a code of ethics. Thus, senior management takes primary responsibility for integrating the code into the day-to-day practice of the organization. Kaptein’s research (2008) has confirmed that the better the code of ethics is built into the organization by senior management, the less unethical behavior in the workplace is displayed. According to Kaptein’s empirical research (2008), the implementation of ethics by management falls into two categories: top management (management outside the business unit, board members and



directors) and local management (management within the business unit, local managers). Overseas researchers believe senior management to have the strongest impact on organizational ethics and employee behavior because they have the most authority, set the tone, and are the architects of the organization. There is an opinion explaining that local government exerts the strongest influence due to its proximity to employees. We will not abide to one or another approach and will rather consider the two levels of governance as one factor influencing ethical or unethical behavior (Mayer, Kuenzi, Greenbaum, Bardes, Salvador, 2009). The value of the ethical code lies not only in its existence, but also in its content, the quality of its communication and integration into the organization on the part of the top and local management.

For the code of ethics to be meaningful it must clearly state its core principles and expectations and it must genuinely focus on potential ethical dilemmas that workers may face. Moreover, a substantive code of ethics cannot rely on blind obedience. In order to be most effective, the code must be developed and distributed in an open environment whereas many employees as possible are involved.

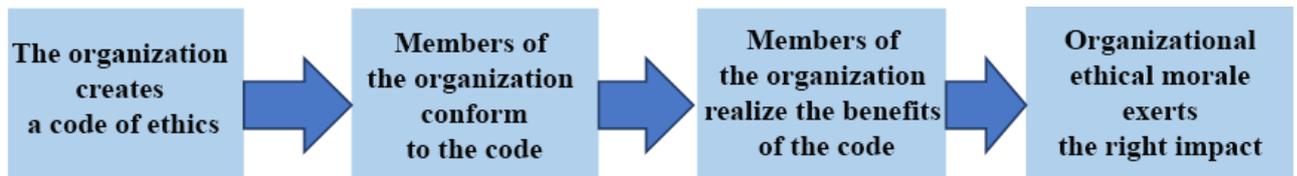
In recent decades, the need for a common framework for building ethics and compliance systems has become increasingly evident. Beyond professionalization and certification, so-called ethical infrastructure standards have been developed. The most famous and used Open Compliance and Ethics Group (2021) was created as a non-profit organization in the United States and provides advice to companies internationally. One of the organizational concepts, the GRC Capability Model (Red Book), represents a framework that offers an integrated approach to organizational governance, risk management, compliance, ethics and culture, and an additional GRC tool, the Book of Burgundy, which helps in assessing the Capability Model. These are only some of the modern tools that help institutionalize ethics in an organization. Some of these have a broader scope, such as ISO 26000, which deals with the social responsibility of an organization.

A survey of 286 US direct selling executives confirmed that the utility of codes of ethics is positively related to the degree of familiarity with them, and the ethical climate assessed by leaders is directly related to the perceived utility of the code (Mayer, Kuenzi, Greenbaum, Bardes, Salvador, 2001). Figures 1 and 2 describe this process.

Figure 1. The adoption process for a code of ethics



Figure 2. The structure reflecting the focus of the current research.



The Ethics Index was used to measure the ethical behavior of 200 small firms in West Bengal, India (Dutta, Banerjee, 2011). The ethical assessment of the index indicates the extent to which an entrepreneur attaches importance to ethical behavior when interacting with employees. An index value indicates an ethical approach at the enterprise level. The given assessment shows how the employee is involved in the process of developing the ethics of the enterprise and what measures are taken by the management. In addition, the average score and the standard deviation of the responses for all sample units for the Ethics Index were calculated. This mean score indicates the ethical perception of the entire sample in regards to working with employees.

A sample of small firms whose ethical behavior was tested using the index developed for this study was selected from a group of small businesses in urban and suburban areas of three districts in West Bengal, India. The choice of the region is based on the highest

concentration of small and micro-enterprises in proportion to their number in the state. The total population for the survey includes 2,900 small and micro enterprises in these three districts. A sample of 200 small businesses was selected from this demographic using a stratified random sampling method. The layers comprise two activities: production and service. The sample size was chosen taking into account resource constraints. Out of the 200 selected units, the complete data from 183 responses were purified and utilized for analysis.

The research uses a model in which the ethical indicator level according to the ethical index for employees is taken as a response variable (an explainable variable); the explanatory variables are factors such as ownership, nature of business, location of the business unit, educational profile of the entrepreneur, gender of the entrepreneur, current investment per employee, number of employees, age of the firm, employability level, market characteristics, and ISO certification.

The model looks at the ethical issues associated with the employees of a typical small firm and examines the profile variables that may influence such ethical orientation. The question this model is trying to answer is which type of small business is more likely to have low, moderate, or high ethical attitudes towards employees. Thus, the model attempts to indicate the characteristics of small firms that will lead to an improved ethical work morale in the small sector. The results of empirical research based on this model were expected to highlight important socioeconomic and business environment factors that can help a small firm to achieve excellence through responsible business practices when dealing with employees. The firm's ethics score is an explainable quantitative variable, while the explanatory variables are both qualitative and quantitative. Qualitative variables have been appropriately converted to dummy variables.

Multiple regression analysis using the aforementioned variables was carried out using the SPSS package, choosing the step-by-step criterion for entering variables into the regression equation. The advantage of this method is that thus the multicollinearity problem is reduced. A review of the step-to-step process reveals that ten (quantitative and dummy) out of eleven variables are predictors included in the ultimate model. The market characteristic of a firm is a variable that has been excluded from the model.

The ethics indicator value according to the study findings is largely attributable to explanatory variables such as ownership, nature of business, location of the business unit, educational profile of the entrepreneur, gender of entrepreneur, ISO certification, investment



level, number of employees, age of the firm, and percentage of the capacity utilized. The results show that the ethical issues associated with the workforce of a typical small company are positively influenced by larger investments in equipment, larger headcounts, and long-term business experience. The urban location of a small company, a private limited form of business, service sphere operations, ISO certification, and a higher level of entrepreneurial education are features that reinforce an ethical employee orientation among the small firms in the sample. Moreover, male entrepreneurs in this sample demonstrate better ethical standards in relationship to workers than their female counterparts.

Most of the components of ethical and unethical issues discussed in the study are applicable to other countries and cultures, and accordingly these similarities can form the basis for a comparative perspective. Therefore, it is more difficult for micro-enterprises to increase the capacity utilization percentage and, as a result, to organize an ethical system.

The decision to adopt a social technology should depend on the enterprise staff headcount, that is, that there are limitations in the use and implementation of the proposed recommendations, since, for example, for small businesses it may be more appropriate to conduct an ethical assessment of employees or an ethical index (Dutta, Banerjee, 2011).

The research “The impact of ethical norms on the performance of small and medium-sized enterprises in South Africa” by Obey Dzomonda and Olawale Fatoki at the University of Limpopo Department of Business Management, Limpopo Province, South Africa (2017) examined the effect of ethics on the service companies performance in South Africa. The study was based on the quantitative research design method. Using survey as the data collection method, self-administered questionnaires were distributed as the major data acquisition tool. A random sampling technique was applied to obtain the number of participants. The survey involved 74 SME owners/managers. Data were analyzed by descriptive statistics, factor analysis, T-tests, and regression analysis. The study identified what activities should be created for the development of ethics in the company, considered the evaluation of the morale in the organization and determined the factors affecting the development of ethics in the enterprise.

The findings revealed that SMEs exhibit unethical behavior and poor performance. It was found that SMEs do not have the policy defining their ethical behavior. T-test results disclosed significant differences between gender and educational attainment with the ethical practice of SMEs. SMEs were recommended to treat ethical issues more seriously so that they did not risk the costs of litigation and negative brand image.



The regression results confirmed that there is a significant relationship between ethical practice and the effectiveness of SMEs.

### **3. DATA AND METHODOLOGY**

The authors of the article conducted an empirical study, which included the following stages:

1. Pilot research, description of the problem, setting goals and objectives, formulating a research hypothesis, development and testing of methodological tools. The sample was conventional and comprised 135 enterprise employees in the sphere over the year of 2014.

2. A formalized interview, during which primary empirical information was collected by description, sociological survey of 483 respondents, including 64 managers and 419 employees over the period of 2015-2017.

3. Analytical and design stage, the purpose of which was to process and analyze the data obtained, to identify the conditions for constructing the behavior ethics for service workers over the period of 2017-2018 and the development of planning and practical recommendations as well as a social technology for constructing the ethics of service workers behavior over the period of 2018-2019.

The authors chose the microfinance field for the research, since the ethical motivation of microcredit (loans for the poor) and microfinance (financial intermediation for the poor, including loans) deserve consideration. Originally, the foundations of the industry are noble, as this is not an industry that is generally regarded to be harmful, as for example industries producing pollution or selling harmful products. However, ethical motivation should always be carefully considered when doing business with a group that is impoverished, vulnerable, uneducated, inexperienced, or disadvantaged.

The results of this study were published in the journal *Contemporary Dilemmas: Education, Politics and Values* (Pavenkov, Vilyamovich, 2019).

Based on its findings, we will consider the process of introducing social technology for constructing the ethics of conduct for service workers.

#### 4. RESULTS

As the first result of the study, we highlight the role and significance of ethics in the organization depending on the life cycle of the organization, which are discussed in Table 1. (See Table 1):

Table 1. Relationship of ethics with the life cycles of the organization.

Stage name	Stages	The role and features of the organization's ethics at the stage
Formative stage	A simple organizational structure, identification of key competencies, insufficiently distinct goals, efforts are aimed at creating a service, as well as finding resources for competitive advantages and establishment in the market. Organizations often experience staff shortages.	Formation of authority and responsibility in an embryonic stage; setting cultural standards and ethical norms, selecting and defining ethical principles. The company's management determines the cultural background of the organization and forms its profile in the market. Ethical patterns are determined by the ability to clarify the meaning of joint activities. Constructing ethics of behavior enables to lay the foundation for future activities. Framing basic beliefs makes it possible to solve problems of adaptation to the external environment and internal interaction.
Organization growth stage	The established structure and management style, clear expectations about responsibilities, development of innovative processes, expansion of the range of services, entry into new markets.	There is a high likelihood of arising ethical problems due to the rapid growth and detachment of some activities into separate areas, specialization and responsibility hierarchy. There is probability of an autonomy crisis, when leaders are unable or unwilling to delegate their powers. The construction of behavior ethics is due to the creation of conditions for economic growth, the provision of high quality services, the maintenance of a stable position in the market, preservation of culture, development of mechanisms for finding compromises and consent.
Maturity stage	Complex hierarchical structure, stabilization of sales growth, the main task is to maximize profits, focus on internal efficiency, tight control over key processes.	The emergence of conservatism in decision-making, the structure of the company takes on a bureaucratic appearance. The ethics of the organization is defined as the ethics of order, since the system of official regulatory activities appears, where people cannot act out of habit or because of their inclinations. The order becomes a value for the employee, and its standards are binding on everyone. At the same time, competition as a feature of market relations can affect the processes taking place within the organization, which does not exclude conflicts and struggle of opinions. Conflict can have both positive and negative functions. In the first case, it allows team members to get to know each other better, structure social groups, open up opportunities for new solutions and the flow of additional information, stimulates proactive attitude, a sense of responsibility, and awareness of their importance. Being the most stable stage of the organization, it is favorable for the development of processes for constructing ethics of behavior, the introduction of educational programs that raise the level of employees within the framework of expertise, professional and ethical characteristics.
Decline stage	Decrease in demand for services, loss of competitiveness, austerity and cost reduction, relying on employees with key	An increase in the number of negative conflicts. The stage of the most serious challenge for the ethics of the organization. At this stage, the standard of corporate ethics can be completely revised, the code of ethics can be changed in accordance with the current crisis situation. Most often at this stage, managers think about ways to maximize

Stage name	Stages	The role and features of the organization's ethics at the stage
	competencies, search for additional resources, potential company's staff redundancies. Search for ways to retain the market. Decision making is centralized and closed.	profits and reduce costs, and least of all about the ethical aspects of management. At this stage, you can choose one of the two ways: the organization exiting the market or entering the revival stage. In this regard, it is necessary to focus the attention on the part of the management on maintaining ethical standards, retaining leading specialists, rallying the team in order to revive the intense activity of the organization (Lutens, 1999)

Based on Adizes, 2015.

**As the second result of the study**, we propose the creation and implementation of a social technology for constructing service workers' ethics of behavior.

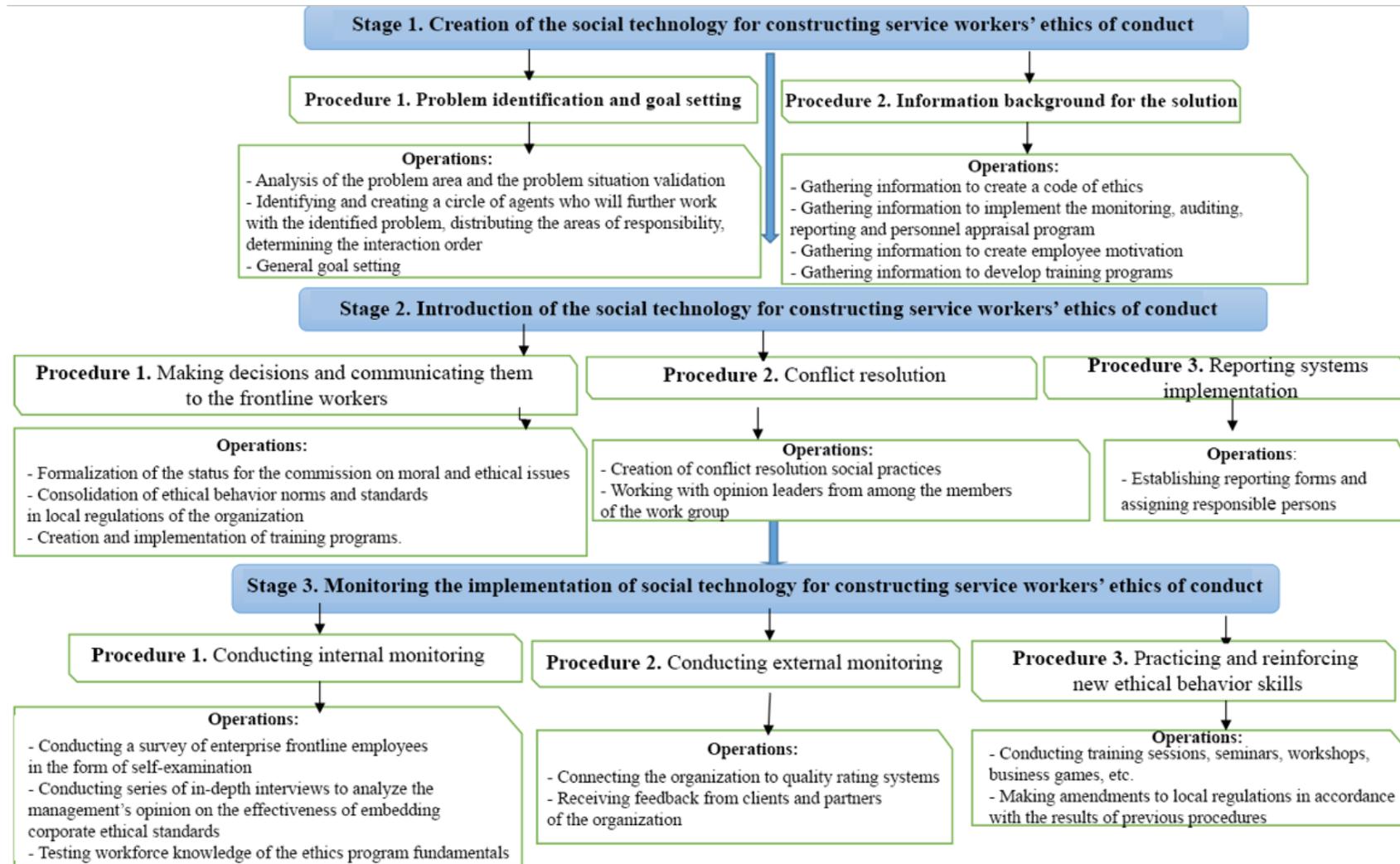
First of all, for the development of a social technology for constructing the ethics of conduct for service workers, it is necessary to introduce key definitions. Let us consider them in more detail.

By the *stage* (from the French *etape* - part, distance), according to the Sociological Encyclopedic Dictionary (2020), we mean "part of the path, distance or period of time, marked by any qualitative change, events, stage of a process." By the *procedure* we mean the sequence of actions that is necessary to achieve the goals of the stage. By operation, we mean specific actions, in the aggregate, enabling to achieve the goal of the procedure.

Thus, the following stages of the social technology for constructing the behavior ethics of service workers can be distinguished (See Fig. 3):

- Creation of the social technology for constructing service workers' behavior ethics.
- Introduction of the social technology for constructing service workers' ethics of behavior.
- Monitoring the implementation of the social technology for constructing service workers' ethics of conduct.

Fig. 3. Creation of a social technology for constructing service workers behavior ethics.



Let us consider the first stage, creation of the social technology for constructing service workers' behavior ethics. The purpose of this stage is to identify existing problems in the organization and create a system of interaction for further implementation of the technology. This stage includes the following procedures and operations.

*Procedure 1. Problem identification and goal setting.*

*Operations:*

- Analysis of the problem area and the problem situation validation. When creating a social technology for constructing service workers' behavior ethics, we identify the problem with the help of stakeholders. We distinguish four groups of stakeholders: the executive team of the enterprise, frontdesk employees, consumers and partners, embracing various contractors, including suppliers and other related companies. To analyze the problem area, it is necessary to carry out a sociological study. The system is created based on the analysis of the research findings using the following methods:

- observation of the process of face-to-face or remote interaction of the workers group and consumer groups, with entering data into the observation diary;

- focus group;

- questionnaire survey;

- content analysis of the customer feedback book.

The research conducted will make it possible to describe the problem situation in detail.

- Identification and creation of a circle of agents who will further work with the identified problem. Distribution of the areas of responsibility, defining the order of interaction.

In the case of the formation of the social technology for constructing the behavior ethics of the workers in the service sector, such a circle of individuals should be a working group or a commission on moral and ethical issues. The task of this body is to resolve disputes and disagreements between various agents, as well as consider proposals for improving the system of moral ethical behavior. One of the tasks of the commission on moral and ethical issues is to develop options and select optimal solutions, taking into account available resources, internal and external factors, and the level of the organizational culture. When creating a code of ethics, it is implied to document the procedure for the formation and creation of a conflict commission, its goals and objectives, along with the procedure for resolving disputes. It has to be taken into consideration that the commission should include representatives of different agents and it should not be associated only with the organization leadership. This position is due to the fact that self-

organization processes are often disrupted in organizations, therefore, representatives of the commission should take a neutral attitude.

- General goal setting.

In the case of the creation of the social technology for constructing the ethics of conduct for workers in the service sector, general goal setting will be carried out through the development of local regulations aimed at maintaining the moral and ethical behavior of employees, first of all, a code of ethics developed and adopted by joint working groups of ordinary employees and the management in the organization. The draft code of ethics can be published on the official website of the organization and submitted for public discussion in order to involve various stakeholders in its creation, including consumers of the organization's services and other counterparts.

*Procedure 2. Information background for the solution.*

Creating the social technology for constructing the behavior ethics of service workers, we need continual monitoring of the current situation, the formation and justification of the desired goals and objectives, the comparison of the current situation with the target results and the construction of a theoretical basis. Monitoring is carried out using various sociological studies, the analysis of the results of which makes it possible to clarify the goals and objectives of the technology, for example, monitoring the customer feedback book, along with reviews of employees, partners and customers in social networks.

*Operations:*

- Gathering information to create a code of ethics. As noted above, the document is the basis for constructing service workers' ethics of conduct. That is why it is necessary to collect information from all the parties concerned in order to form a strong and effective code of ethics that will reflect all the individual peculiarities of the organization.

- Gathering information to implement the monitoring, auditing, reporting and personnel appraisal program. In our case, the creation of the social technology for service workers involves teaming joint groups of rank-and-file employees and middle managers. Also, when collecting information, it is necessary to take into account the opinion of consumers and partners of the organization. This information will help to understand which test points need to be taken into account during monitoring, as well as the type and form of monitoring and reporting, and determine the necessary methods for appraising personnel and auditing the ethics of conduct in the organization.

- Gathering information to create employee motivation. Creation of a holistic system of employee motivation, which will take into consideration the research findings obtained and link



the system of compliance with ethical standards to the system of incentives and recognition. At the same time, taking into account the specifics of moral and ethical standards, it makes sense to focus on recognition as non-financial motivation.

- Gathering information for the development of training programs. This information is necessary for the organization to form effective training programs in the field of behavior ethics, with provision for the peculiar features and areas of concern in the service sector.

Let us consider the second stage, the introduction of the social technology for constructing service workers' behavior ethics. The purpose of this stage is to convey the system of moral and ethical behavior to all stakeholders and its application in practical activities. This stage includes the following procedures and operations.

*Procedure 1. Making decisions and communicating them to the frontline workers.*

*Operations:*

- Formalization of the status for the commission on moral and ethical issues (the department of ethics or a full-time employee with the responsibility).

If at the first stage it still represented a working group in the formative stage, then at the implementation stage it should already be a full-fledged body with its own working team, as a kind of an independent and unbiased expert. The task of the commission will be collecting feedback from groups, prompt processing and analysis of the information received, obtaining results by responsible persons, making adjustments to the code of ethics, distributing relevant changes through the company's channels; creating round tables to discuss the features of the implementation and adjustment of the model; training in new rules and standards in conjunction with the personnel management service; conducting regular training sessions and programs to familiarize the staff with the new moral and ethical model; creation and adherence to a clear timetable for the implementation of the model; providing clear and accessible feedback between agents; application of the motivation system foundations in order to involve the employees to express their proposals regarding the operation of the model, its improvement and implementation. An essential, in our opinion, is the component when the employees receive remuneration if their idea is accepted by the commission and additional remuneration if it is implemented. It should be pointed out that depending on the size and budget of the organization, the form of the responsible body is determined. So, for example, in a large organization it can be a special commission or even a department, while in smaller organizations it can be an employee who is assigned to the personnel department, but combines his or her main activity with resolving ethical issues in the company.

- Consolidating local normative acts.

In our social technology, local regulations (Code of Ethics, Ethics Program), which have already been publicly discussed at the first stage, will be consolidated. Accordingly, they already incorporate a motivation and control system of the moral and ethical behavior of employees. All employees must familiarize themselves with these local regulations and confirm their consent with a personal signature. In case of objections, the employees have the right to apply to the commission, which must consider their proposals and comments within a period of time determined by the local regulatory act, for example, within a month.

- Creation and implementation of training programs.

In addition to the public discussion of the code of ethics or the ethical program norms and laws in the organization, we consider it necessary to disseminate this information among employees and other stakeholders by organizing and conducting ethical training sessions and case studies. This will allow an employee to empirically reinforce the information received. We would also like to emphasize the fact that in the implementation of training programs, it is vital to pay attention to the elaboration of ethical dilemmas associated with conflicts, difficult ethical choices or embarrassing ethical situations inherent in a particular area of the organization's activities and in relation to it.

#### *Procedure 2. Conflict resolution*

##### *Operations:*

- Creation of conflict resolution social practices.

The stage of introducing the social technology for constructing service workers' ethics of conduct should take place gradually, so that the company's employees should have enough time to express their wishes and recommendations, as well as to correct their behavior in accordance with the new standards of ethics. The complexity of this stage is due to potential conflict situations that often arise when introducing innovations. For ordinary employees of the organization, this stage may mean the introduction of new, inflated requirements for their work and tighter control by the management. In this regard, it is necessary to establish social practices for resolving conflicts: the discussion should take place in a more democratic manner and include the collection of comments, feedback and analysis of ongoing discussions. Noteworthy, comments and responses along with the analysis of discussions facilitate improving the system of moral ethical behavior in accordance with the real needs of the individuals.

- Working with opinion leaders from among the members of the work group.

The introduction of a new social technology can lead to a conflict with opinion leaders who will try to refute the new client-oriented system of ethics. Typically, opinion leaders appeal



to the traditional professional ethics, in which the carrier of the profession has a high priority over clients who do not possess specialized knowledge. In this situation, it is important to recognize that although opinion leaders usually express their opinions alone, they nevertheless have wide latent support and influence on the work collective. To maintain their authority, they can deliberately provoke conflict, positioning themselves as supporters of the previous value system.

Thus, opinion leaders should be engaged in the discussion on the development of ethical norms and rules, drafting and clarification of the provisions for the code of ethics, moreover be included in the commission on moral and ethical issues. This can prevent the dismissal of key employees who disagree with the new system, as well as other disputes and conflict situations. It is relevant that the company management, given the potential resistance of frontline workers and the difficulty of introducing new rules and regulations in the company, should avoid the abuse of disciplinary sanctions when discussing difficult situations.

*Procedure 3. Implementation of reporting systems.*

Since the next stage of the social technology of constructing service workers' behavior ethics is its monitoring, we need to define a reporting policy and allocate responsible persons for its implementation.

*Operations:*

- Setting up reporting forms and assigning responsible persons.

In this operation, we determine the form of reporting, the procedure and terms for its provision, the circle of responsible persons.

Let us take a closer look at the third stage, monitoring the implementation of social technology for constructing the behavior ethics of service workers. The purpose of this stage is to create a system for continuous monitoring ethical alterations in the organization.

*Procedure 1. Conducting internal monitoring.*

To obtain more objective information on the results of the social technology implementation, its faults, shortcomings and non-compliance with the new conditions, it is crucial to conduct internal monitoring in the company. The following operations can be enclosed.

*Operations:*

- Surveying the opinion of employees.

Conducting a survey of enterprise frontline employees in the form of self-examination, in which the employees themselves determine the degree of their adherence to the ethical standards of the company. This survey should be based on the principle of anonymity, and the research

findings should be analyzed in an accumulated form. The survey results can be discussed at a general meeting of the staff.

- Collecting the opinions of leaders.

Conducting a series of in-depth interviews to analyze the management's opinion on the effectiveness of embedding corporate ethics standards. Based on the results of the interview, hidden contradictions in the interpretation of ethical standards can be revealed or reasons that may lead to the incapability of meeting the standards in full can be justified. In-depth interviews can lead to separate management training sessions to help them play an active role in supporting and improving ethical skills.

- Testing workforce knowledge of the ethics program fundamentals.

In this operation, we propose to conduct testing (survey) among employees of the organization to check the knowledge of the basics of the code of ethics or the ethical program in the organization. This procedure will enable to determine whether the knowledge gained at the previous stages in the social technology of constructing service workers' behavior ethics has been consolidated and whether workers can apply it in their work.

*Procedure 2. Conducting external monitoring.*

*Operations:*

- Connecting to quality rating systems.

Connecting the organization to quality rating systems, in order to constantly monitor the index of customer and partner satisfaction in comparison with other similar organizations. In the event of permanent violation of ethical standards by an employee, the mystery shopping method can be used.

- Collecting opinions of consumers and partners.

Receiving feedback from clients of the organization using the following methods: customer loyalty button, analysis of customer messages in the customer feedback book, analysis of reviews and suggestions on specialized portals, forums and social networks of the organization, customer survey, conducting focus groups. The same studies can be carried out in relation to other counterparts.

*Procedure 3. Practicing and reinforcing new ethical behavior skills.*

*Operations:*

- Organization and implementation of training programs. Conducting training sessions, seminars, workshops, business games that strengthen the standards of corporate ethics.

Furthermore, the ultimate assessment of the staff for the assimilation of the material received could be arranged.

- Completion of regulations. Making amendments to local regulations in accordance with the results of previous procedures, with respect to the views of the organization's employees and stakeholders. The key task for this operation is revision, improvement and adjustment of the existing programs.

## 5. DISCUSSION AND CONCLUSIONS

As a conclusion to our research, we can draw the following conclusions based on the results of a survey for managers and employees of organizations.

With the help of the study, it was determined that the embodied organizational culture (78.3 %) and the corresponding professional level of managers (70.3 %) are the priority factors influencing the processes of constructing ethics of conduct in the management system at service enterprises. The answers to other questions demonstrate two key problems that hinder the process of constructing service workers' ethical behavior, precisely, the low level of corporate culture and the relationship between management and employees of the organization. The overwhelming majority of the respondents (95.5 %) see a direct connection between the success of interaction with the external environment and the ethics of conduct in the organization.

The research revealed that in the surveyed organizations, promises made to employees when hiring may be unfulfilled or not accomplished; the employees have a low level of loyalty to the organization; there is high level of mistrust or negative perception of learning processes. In the organizations studied, there is a low level of involvement in ethical programs due to the lack of necessary knowledge in this area among managers. Organizations do not welcome employee initiatives and the involvement of personnel in the development of the company is not a priority. The study confirmed that employees make independent decisions only within their own unit, but have high expectations in terms of making independent decisions outside it. This is feasible if the resources are available to construct ethical behavior for service workers.

Also, there is a shortage of learning processes in organizations, which leads to stagnation and a lack of positive dynamics in the organization development. It is under the changes that the process of constructing service workers' ethics of behavior is envisaged. It was discovered that the level of ethics training is unsatisfactory, which may be an indicator of low information content on the part of employees. As the study demonstrated, there is an increasing necessity for material incentives in the development and adherence to ethical standards (bonuses for positive reviews



from customers; representation of the company at leading exhibitions, fairs, seminars, conferences; creative and innovative approach to work).

Based on the replies received from the respondents, it is obvious that 53.8 % of the value systems do not coincide or slightly do not coincide with those adopted in the organization. At the same time, the respondents are satisfied with the relationships within the team, the position held and the stability of the enterprise. Consequently, the conclusion is produced that the general background of the organization's development is sufficiently stable and favorable.

According to the research findings, organizations do not possess encapsulated ethical standards, which allows each employee to interpret ethical standards in their own way, giving rise to inconsistency in the understanding of ethical behavior. The study has proven that there is no uniform technology across organizations for constructing ethical behavior in service workers. The organizations have not created or only partially created the conditions for the construction of the ethics of conduct for workers in the service sector and the management does not take any measures in that respect. At the same time, the respondents believe that the creation of such conditions is absolutely indispensable for the successful functioning of the enterprise and the enhancement of communication processes within the organization. As measures required to improve the processes of constructing ethics of behavior, the respondents highlight the development and introduction of the necessary provisions (Code of Ethics, Ethics Program) and the introduction of a system of rewards and punishments.

The author's research showed that many organizations do not pay due attention to the top management, whereas most personnel decisions in the implementation of production and service tasks are given to the discretion of the heads in the relevant departments or their deputies (79.7 %) and only (20.3 %) believe that "they themselves must explore and control the solution of each issue".

At the same time, the respondents noted that even with the management focused on constructing ethics of behavior in the organization, it will become possible to increase the level of income at the enterprise and improve the social and psychological climate within the team.

According to the respondents, the main reason for ethical conflicts is a selective approach based on personal perception and understanding of ethical issues. Therefore, it is confirmed that the organization does not have distinct stipulated norms that are known to each of its members and are a guideline in situations of ethical uncertainty.

The study revealed the reason that prevents the respondents from gaining additional knowledge in ethics, exactly the lack of a temporary opportunity. The implication is that managers

need to consider this reason and implement learning processes as part of their work activities. As the primary prerequisites for constructing the ethics of behavior of workers in the service sector, the respondents identified an increase in the standard of living and the need to develop a type of new professional morality in the modern realities of the organization's operations. In the perception of the respondents, the level of corporate culture and the relationship between management and employees in their organizations are the main constraining reasons for the processes of social construction of service workers' ethics of behavior.

The research disclosed a shortage or lack of knowledge among employees in the field of constructing ethics of behavior, communication failures between management and employees, and weak consolidation of the norms of behavior. Initially, in terms of relationships in the team, positive assessment from the respondents as well as the low ones in the attitude of management to employees were considered. It should be noted that the respondents understand the relations in the team as the communication of employees at the same level of the organizational structure. It is necessary to point out that the respondents rate their satisfaction with the social usefulness of the work performed rather highly. Based on the respondents' answers regarding the satisfaction of the social usefulness of the work performed, we see a special need for the construction of ethics of behavior. First, in order to normalize communication within the team. Secondly, given the importance of the external moral and ethical appearance of a representative of the organization while interacting with the external environment.

Substantively, the study exposed a discrepancy between the value systems of employees and those adopted in the organization. In our study, the respondents were asked the question, "Do your value attitudes coincide with those of the organization?" The results obtained demonstrate that 53.8 % of respondents have value orientations that do not coincide or do not completely coincide with those adopted in the organization.

During the interviews, respondents made separate comments, in which they pointed out that teaching ethics in schools, developing and following codes of ethics in organizations, selecting "more honest people" at the recruitment stage, creating better monitoring and reporting mechanisms in organizations would facilitate the decline in unethical conduct. Many authors have offered similar recommendations.

To recapitulate, based on the results of the survey of managers the following conclusions can be drawn: 79.7 % of the managers interviewed trust their deputies or structural leaders to resolve ethical issues, conflicts and dilemmas; 37.7 % of the surveyed respondents do not take any measures for the social construction of service workers' ethics of behavior; 25.3 % of the



respondents need additional theoretical knowledge to construct the ethics of behavior in service workers; 54.4 % of the executives interviewed lack knowledge in the field of ethics of conduct, at the same time, they do not agree with the priority value of ethics in the activities of the organization.

According to the findings of the employees survey, the following conclusions have been deduced: 48.9 % of the respondents surveyed believe that their manager does not take measures to construct ethics of conduct in the organization; 23.9 % of respondents rate the behavior of their leader as low; 47.8 % of respondents believe that the leader does not delve into the essence of ethical conflicts; 39.1 % consider that they need additional knowledge in the field of ethics of conduct or they do not have sufficient additional knowledge. Thus, the study clearly demonstrated and proved the non-coincidence of ethical values and attitudes of managers and employees, as well as the lack of proper regulation of ethical behavior in organizations.

The main advantage of the presented social technology for constructing service workers' ethics of behavior, in our opinion, is that it seeks to the fullest extent unite the goals of employees and the goals of the organization. The implementation and monitoring of social technology for constructing service workers' ethics of behavior will not only allow the organization to provide better services, thereby increasing its profits, but will also involve the employee in the life of the company. Increasing the company's profits and improving the quality of services through compliance with ethical standards will increase the payroll, develop incentive and bonus programs and provide a positive effect on the income of the employees proper.

All of the above confirms the fact that the social technology of constructing service workers ethics of behavior is an extremely complex process that must be controlled.

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