

Global & National Ethical Standards Across All Sectors

Short Paper Assignment 2

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Executive Summary

This paper examines how ethical standards shape managerial decision making in public, private, and nonprofit organizations. It analyzes major global Codes of Ethics—including the UN Global Compact, OECD Guidelines for Multinational Enterprises, ISO 26000, and IFAC’s Code of Ethics—and compares them with Egypt’s Code of Conduct and Ethics for Civil Servants issued by NIGSD. The research question guiding this study is: To what extent does Egypt’s ethics code meet the needs of modern managers across all sectors? The paper finds that Egypt’s code reflects classical administrative principles such as discipline, neutrality, and professionalism, while incorporating modern values like transparency and citizen service. However, it remains primarily oriented toward public-sector behavior. To support private and nonprofit managers, the paper proposes revisions related to sustainability, stakeholder engagement, digital governance, and global compliance. These enhancements would align Egypt’s ethics framework with international standards and contemporary managerial challenges.

Introduction

Ethical decision making has become a central requirement for managers in all types of organizations. Globalization, digital transformation, and rising public expectations have increased the pressure on managers to act responsibly, transparently, and in alignment with national and international ethical standards. As organizations interact across borders, ethical codes help managers navigate complex situations involving diverse stakeholders, cultural differences, and regulatory environments.

This paper explores the main ethical standards that guide managerial decision making today, focusing on internationally recognized Codes of Ethics such as the UN Global Compact, OECD Guidelines for Multinational Enterprises, and the International Federation of Accountants (IFAC) Code of Ethics. These standards emphasize integrity, accountability, anti-corruption, human rights, sustainability, and responsible governance.

The paper then examines Egypt’s *Code of Conduct and Ethics for Civil Servants* issued by the National Management Institute (now NIGSD). This code aims to improve public-sector professionalism, strengthen trust between citizens and government, and support national development goals. The analysis connects this code to the origins and development of management thought—from classical administrative theory to modern governance and New Public Management (NPM).

The research question guiding this paper is: **To what extent does Egypt’s ethics code fit and respond to the needs of modern managers in public, private, and nonprofit organizations?** The paper argues that while the code is strong for public administration, it requires updates to fully support private and nonprofit managers who operate in competitive, globalized environments. The final section proposes key changes to align the code with global ethical standards and modern managerial needs.

Theoretical Framework

Ethical decision making in modern organizations is shaped by a long intellectual tradition that spans classical management theory, public administration, corporate governance, and global ethical standards. Understanding this evolution is essential for evaluating how national ethics codes—such as Egypt’s Code of Conduct and Ethics for Civil Servants—respond to the needs of managers in public, private, and nonprofit sectors. This section reviews the origins of managerial ethics, examines major global Codes of Ethics, and situates Egypt’s ethics code within broader developments in management thought.

1. Ethical Decision Making in Management

Ethical decision making refers to the process through which managers evaluate choices based on moral principles, organizational values, and societal expectations. Scholars argue that ethical behavior is essential for organizational legitimacy, long-term performance, and stakeholder trust (Carroll, 1991; Treviño & Nelson, 2017). Ethical codes serve as formal tools that guide managers in applying these principles consistently and transparently.

2. Origins of Ethical Thought in Management

A. Classical Management

Early management theorists recognized that organizational effectiveness depends not only on technical efficiency but also on moral conduct and professional responsibility. Classical management theorists laid the foundation for modern managerial ethics. Their ideas strongly influence national ethics codes, including Egypt’s Code of Conduct and Ethics for Civil Servants.

1. Frederick Taylor — Scientific Management (Taylor, 1911)
Emphasized **fairness**, **honesty**, and **responsible supervision**, even while focusing on efficiency. Saw ethical behavior as essential for maintaining trust between workers and managers.
2. Henri Fayol — Administrative Principles (Fayol, 1916)
Identified **integrity**, **discipline**, **equity**, and **order** as core managerial values. Argued that managers must act ethically to maintain organizational stability and professionalism.
3. Max Weber — Bureaucratic Ethics (Weber, 1947)
Introduced principles of **neutrality**, **rule-based behavior**, **professionalism**, and **legality**. Highlighted the ethical importance of following rules, avoiding favoritism, and respecting hierarchy.

Egypt’s ethics code reflects these classical principles. For example, it stresses respect for the law, obedience to administrative hierarchy, and commitment to public duty—values that align closely with Weber’s emphasis on legality and Fayol’s focus on discipline and order. This connection is evident in the code’s requirement that civil servants “respect the rules and procedures governing public service,” which mirrors classical administrative theory.

B. Human Relations and Behavioral Schools

The human relations movement shifted attention toward interpersonal ethics, communication, and employee well-being. Elton Mayo's work highlighted the importance of **empathy, cooperation, and respect** for individuals. Ethical behavior includes communication, motivation, and interpersonal respect. Managers must treat employees and citizens with fairness and dignity. These ideas influenced modern public-sector ethics, which increasingly emphasize respectful treatment of citizens and colleagues (Mayo, 1933).

Egypt's code incorporates these values through principles such as respect, cooperation, and service orientation. The code states that civil servants must treat citizens with courtesy and fairness, reflecting Mayo's emphasis on interpersonal ethics.

C. New Public Management and Modern Governance

The rise of New Public Management (NPM) introduced performance measurements, **transparency, performance, customer orientation, and accountability** as ethical imperatives. Brinkerhoff & Brinkerhoff (2015) argue that NPM reforms often struggle when ethical principles are not embedded in administrative culture. Egypt's ethics code aligns with NPM by promoting transparency, anticorruption, and efficient use of public resources.

Modern governance frameworks further expand ethical expectations by emphasizing **stakeholder engagement, sustainability, and social responsibility**. These ideas are reflected in global Codes of Ethics but are only partially integrated into Egypt's ethics code.

3. Global Ethical Standards

Globalization has transformed managerial ethics from a national concern into an international requirement. Organizations increasingly operate across borders, interact with diverse stakeholders, and face global regulatory pressures. As a result, international Codes of Ethics have become essential reference points for managers in all sectors.

A. UN Global Compact

The UN Global Compact encourages organizations to adopt principles related to **human rights, labor standards, environmental protection, and anticorruption** (United Nations, 2015). It promotes responsible global citizenship and provides a universal ethical foundation for multinational operations.

B. OECD Guidelines for Multinational Enterprises

The OECD Guidelines offer recommendations on **transparency, responsible supply chains, taxation, antibribery, and sustainability** (OECD, 2011). They help managers navigate ethical challenges in global markets, including cross-border compliance and responsible sourcing.

C. ISO 26000: Guidance on Social Responsibility

ISO 26000 provides principles for **ethical behavior**, **stakeholder engagement**, and **sustainable development** (ISO, 2010). It emphasizes accountability, transparency, respect for human rights, and environmental stewardship.

D. IFAC Code of Ethics for Professional Accountants

The IFAC Code emphasizes **integrity**, **objectivity**, **professional competence**, **confidentiality**, and **professional behavior** (IFAC, 2020). It influences financial decision making across sectors and sets standards for ethical accounting practices.

Shared Values Across Global Standards

These frameworks share core ethical values:

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|------------------|----------------------------|------------------|
| • Integrity | • Fairness | • Sustainability |
| • Transparency | • Respect for human rights | • Anticorruption |
| • Accountability | | |

They reflect the shift from classical management—focused on efficiency and control—to modern governance, which emphasizes stakeholder engagement and long-term societal impact.

4. National Ethics Codes and Public-Sector Traditions

Many countries have adopted public-sector ethics codes that emphasize neutrality, integrity, professionalism, and citizen service. Examples include:

- UK Civil Service Code
- US Office of Government Ethics Standards
- Canada's Values and Ethics Code for the Public Sector

These codes share similarities with Egypt's ethics code, particularly in their emphasis on legality, neutrality, and professionalism. However, global trends increasingly push national ethics codes to incorporate sustainability, digital governance, and stakeholder engagement—areas where Egypt's code remains limited.

5. Egypt's Code of Conduct and Ethics for Civil Servants in Context

Egypt's ethics code aims to strengthen public-sector professionalism and improve trust between citizens and government. It includes principles such as respect for the law, integrity, transparency, avoidance of conflicts of interest, respect for citizens, efficient use of public resources, and commitment to national interests.

Strengths of the Code

The code aligns well with:

- Classical management principles (discipline, hierarchy, professionalism)
- Human relations values (respect, cooperation, service)
- NPM reforms (transparency, accountability, efficiency)
- Provides clear guidance for public-sector managers.

It provides clear guidance for public-sector managers and reflects Egypt's administrative culture.

Limitations of the Code

However, the code is primarily oriented toward public-sector behavior and does not fully address the needs of private and nonprofit managers. It lacks guidance on:

- Corporate social responsibility
- Sustainability and environmental responsibility
- Ethical supply chain management
- Digital ethics and data protection
- Stakeholder engagement
- Global compliance standards

These gaps limit the code's applicability in competitive and globalized environments.

6. Why Modern Managers Need Broader Ethical Guidance

Managers in private and nonprofit organizations face additional ethical challenges:

- Market competition
- Investor expectations
- Global supply chains
- Fundraising ethics
- Social impact measurement
- International compliance requirements

Global ethical standards provide guidance on these issues, but Egypt's ethics code does not. As a result, modern managers require a more comprehensive ethics framework that integrates national values with global principles.

Case Study

Ethical decision making in Egypt's public sector can be illustrated through the Ministry of Supply's management of the subsidized bread system. However, the ethical challenges revealed in this case extend beyond the public sector and highlight critical gaps affecting private and nonprofit managers as well. By analyzing this case through global ethical standards and Egypt's Code of Conduct and Ethics for Civil Servants, we can identify the broader ethical needs of modern organizations across all sectors.

1. Public Sector Governance: Systemic Reform

Egypt's subsidized bread program is one of the largest social protection mechanisms in the region, yet it has long suffered from deep ethical and managerial challenges. For many years, the system operated through opaque procedures, unreliable data, and weak monitoring structures. These weaknesses created opportunities for corruption, manipulation of quotas, and diversion of subsidized flour to the black market. As a result, the program experienced significant financial losses, declining service quality, and erosion of public trust. In response, the Ministry of Supply introduced several reforms, most notably digital ration cards and electronic monitoring systems to strengthen transparency and accountability.

This case provides a practical context for evaluating how ethical standards guide managerial decision making and how Egypt's ethics code responds to modern governance challenges. The persistent lack of reliable information meant that managers could not accurately track production or distribution, violating global principles of transparency (OECD, 2011) and contradicting Egypt's ethics code requirement for truthful reporting. Weak oversight mechanisms further enabled quota manipulation, representing a failure of accountability—an ethical principle central to New Public Management (Brinkerhoff & Brinkerhoff, 2015) and explicitly required by Egypt's code. Conflicts of interest also emerged when officials maintained personal relationships with bakery owners, violating integrity standards outlined in ISO 26000 (ISO, 2010) and the IFAC Code (IFAC, 2020), as well as Egypt's prohibition on conflicts of interest.

These failures demonstrate a critical insight: **public-sector ethics alone cannot ensure ethical outcomes when private and nonprofit actors are deeply involved in service delivery.** Private bakeries face competitive pressures and supply chain risks that Egypt's ethics code does not address, while nonprofit organizations encounter donor accountability and beneficiary protection issues that fall outside the scope of public-sector guidelines. The bread subsidy case therefore reveals broader ethical gaps that affect managers across all sectors and highlights the need for a more comprehensive, cross-sector ethics framework.

2. Private-Sector Ethical Needs Revealed by the Case

Although the bread system is a public program, **private bakeries** play a central role. Their involvement exposes ethical gaps that Egypt's public-sector code does not address.

A. Competition and Market Pressures

Private bakeries operate in competitive environments. Ethical issues arise when:

- Bakeries inflate production numbers to gain more subsidized flour
- Owners divert flour to the black market for profit
- Competition encourages unethical shortcuts

Egypt's ethics code does not address **market-based ethical dilemmas**, while global standards such as the UN Global Compact emphasize responsible business conduct (United Nations, 2015).

B. Supply Chain Ethics

Private bakeries are part of a supply chain involving flour mills, distributors, and inspectors. Ethical risks include Collusion, Bribery, and Manipulation of supply data.

The OECD Guidelines stress responsible supply chain management (OECD, 2011), but Egypt's ethics code does not provide guidance for private-sector managers facing these pressures.

C. Investor and Financial Accountability

Private bakeries must manage finances ethically, yet the IFAC Code's principles of integrity and objectivity (IFAC, 2020) are not reflected in Egypt's public-sector ethics code. This gap leaves private managers without a national ethical framework tailored to their needs.

3. Nonprofit-Sector Ethical Needs Revealed by the Case

Nonprofit organizations play an important role in **food security programs**, community **distribution**, and **monitoring** efforts, and the bread subsidy case reveals several ethical needs specific to this sector. First, nonprofits must uphold donor accountability through transparent reporting, ethical use of funds, and accurate measurement of social impact—requirements strongly emphasized in ISO 26000's stakeholder engagement principles (ISO, 2010), yet not addressed in Egypt's ethics code. Second, nonprofits must ensure fair and dignified treatment of beneficiaries. Ethical failures in bread distribution, such as **long queues** or inconsistent bread **quality**, highlight broader concerns related to respect and fairness, which align with human relations principles (Mayo, 1933). Although Egypt's code mentions respect for citizens, it does not provide guidance tailored to nonprofit service delivery. Third, nonprofits frequently collaborate with government agencies and private bakeries, creating ethical dilemmas when public data is unreliable, private actors behave opportunistically, or conflicts of interest arise. Global standards stress the importance of multi-stakeholder governance (ISO, 2010), but Egypt's ethics code does not address cross-sector collaboration. Together, these gaps show that nonprofit managers require ethical guidance beyond what the current public-sector-focused code provides.

4. Ethical Reforms and Their Cross-Sector Implications

The Ministry of Supply's reforms—such as digital ration cards, electronic monitoring systems, and public complaints platforms—significantly improved transparency and accountability in the subsidized bread system, aligning with global governance standards. However, these reforms also reveal important cross-sector ethical gaps. The introduction of digital systems raises concerns related to data privacy, cybersecurity, and the responsible use of citizen information, all of which are emphasized in global digital governance frameworks but remain absent from Egypt's ethics code. Additionally, the bread subsidy program consumes substantial resources, making sustainability and environmental responsibility essential ethical considerations. Principles such as sustainable production, waste reduction, and efficient resource use are central to the UN Global Compact (United Nations, 2015), yet Egypt's ethics code does not incorporate equivalent guidance. Furthermore, while the reforms strengthened monitoring, they did not meaningfully involve key stakeholders—including citizens, private bakery owners, and nonprofit organizations—in decision making or oversight. This omission contrasts with ISO 26000's emphasis on stakeholder participation and multi-actor governance (ISO, 2010), highlighting the government-centric nature of Egypt's ethics code. Together, these gaps demonstrate that although the reforms improved public-sector accountability, they also expose broader ethical needs that affect private and nonprofit managers and are not addressed by the current code.

5. Critical Lessons Across All Sectors

The case demonstrates that ethical decision making requires:

- Transparent information systems
- Strong accountability mechanisms
- Clear conflict-of-interest rules
- Respectful treatment of citizens
- Responsible supply chain management
- Digital governance
- Sustainability practices
- Stakeholder engagement

These needs apply to **public**, **private**, and **nonprofit** managers. Egypt's ethics code addresses some public-sector needs but does not provide a comprehensive framework for all sectors.

Main Results

The analysis shows that Egypt's Code of Conduct and Ethics for Civil Servants provides a solid ethical foundation for public-sector managers but does not fully meet the needs of modern managers in private and nonprofit organizations. The code aligns well with classical management principles such as discipline, legality, and professionalism (Weber, 1947; Fayol, 1916), and incorporates human relations values such as respect and courtesy (Mayo, 1933). It also reflects New Public Management priorities, including transparency, accountability, and efficient resource use (Brinkerhoff & Brinkerhoff, 2015). These strengths make the code effective for guiding public-sector behavior, especially in administrative contexts where hierarchy, neutrality, and procedural compliance are essential.

However, the case study demonstrates that the ethical challenges facing private and nonprofit managers differ significantly from those addressed in the current code. Private-sector managers operate in competitive markets where ethical dilemmas often involve pricing, supply chain integrity, investor expectations, and responsible business conduct. These issues are central to global ethical frameworks such as the UN Global Compact and OECD Guidelines (United Nations, 2015; OECD, 2011), but they are not addressed in Egypt's ethics code. As a result, private managers lack national guidance on sustainability, responsible sourcing, fair competition, and corporate social responsibility.

Nonprofit managers face another set of ethical needs related to donor accountability, transparency in resource allocation, social impact measurement, and beneficiary treatment. Global standards such as ISO 26000 emphasize stakeholder engagement and social responsibility (ISO, 2010), yet Egypt's ethics code does not provide guidance for nonprofit governance, fundraising ethics, or collaboration with public and private actors. The case study shows that nonprofits involved in food security programs encounter ethical dilemmas that the current code does not anticipate.

Digital transformation further exposes gaps in the code. Modern managers must navigate data privacy, cybersecurity, and responsible use of digital systems—areas emphasized in global standards but absent from Egypt's ethics code. The digital reforms in the bread subsidy system improved transparency but raised ethical concerns that the code does not address.

Proposed Amendments for a Revised Code Structure

1. Digital Ethics and Data Privacy Governance

Managers across all sectors must protect personal beneficiary and customer data, establish secure digital record systems, maintain strict cybersecurity protocols, and prevent unauthorized data monetization.

2. Supply Chain Integrity and Anti-Bribery Standards

Private and public managers must conduct mandatory due diligence across procurement channels, enforce anti-collusion measures, eliminate informal facilitation payments, and maintain verifiable vendor auditing processes (OECD, 2011).

3. Corporate Sustainability and Environmental Stewardship

Organizations must measure, report, and actively reduce environmental footprints, integrate waste-mitigation protocols, and align operating procedures with national sustainable development targets (United Nations, 2015).

4. Nonprofit Accountability and Stakeholder Engagement

Civil society organizations must implement clear reporting standards for resource allocations, ensure transparent social impact reporting, establish beneficiary grievance channels, and involve community stakeholders in program governance (ISO, 2010).

5. Multi-Sectoral Partnership Governance and Ethics

When public, private, and nonprofit organizations collaborate—such as in public-private partnerships or joint public service delivery—managers across all sectors must establish:

- **Unified Transparency Rules:** Joint access to verified operational data to prevent asymmetric information and fraud (ISO 26000).
- **Shared Anti-Corruption Oversight:** Clear protocol boundaries preventing bribery, quota manipulation, or undue influence between private operators, nonprofit observers, and state inspectors (OECD Guidelines).
- **Stakeholder Dispute & Grievance Protocols:** Formal non-judicial mechanisms where private vendors, civil society organizations, and public administrators can resolve operational conflicts and report code violations fairly without fear of administrative retaliation.

Conclusion

Ethical decision making has become a central requirement for managers in all sectors, and both global and national ethical standards play a critical role in shaping responsible organizational behavior. Egypt's Code of Conduct and Ethics for Civil Servants provides a strong foundation for public-sector ethics by emphasizing integrity, legality, transparency, accountability, and respectful treatment of citizens. These principles align with classical management theory and modern governance approaches, making the code effective for guiding civil servants in administrative environments.

Egypt's Code of Conduct and Ethics for Civil Servants contains strong universal ethical principles such as integrity, transparency, accountability, and respect, which align with global standards. However, the code is primarily designed for public-sector behavior and does not include sector-specific ethical guidance required by private and nonprofit managers. It lacks provisions related to corporate social responsibility, sustainability, donor accountability, supply chain ethics, digital governance, and international compliance. Therefore, while the code fits public-sector needs well, it does not fully respond to the ethical challenges faced by private and nonprofit organizations.

However, the analysis shows that the code does not fully respond to the ethical needs of private and nonprofit managers. While it contains universal ethical principles, it is written exclusively for public-sector behavior and lacks sector-specific guidance related to competition, supply chain integrity, donor accountability, sustainability, corporate social responsibility, digital governance, and international compliance. Global frameworks such as the UN Global Compact, OECD Guidelines, ISO 26000, and the IFAC Code address these issues, but Egypt's ethics code does not provide equivalent provisions.

If rewritten to support private and nonprofit managers, the code should incorporate global ethical principles related to responsible business conduct, stakeholder engagement, environmental sustainability, donor transparency, and digital ethics. These additions would create a comprehensive ethics framework that meets the needs of modern managers across all sectors.

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