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DEVELOPMENT OF CORPORATE ETHICS AS A TOOL FOR ENHANCING MANAGEMENT EFFICIENCY IN TERRITORIAL COMMUNITIES

РОЗВИТОК КОРПОРАТИВНОЇ ЕТИКИ ЯК ІНСТРУМЕНТ ПІДВИЩЕННЯ ЕФЕКТИВНОСТІ УПРАВЛІННЯ В ТЕРИТОРІАЛЬНИХ ГРОМАДАХ

The article examines the formation and development of corporate ethics in territorial communities as a key factor in effective and accountable public administration. It emphasizes the role of corporate culture in shaping ethical behavior, promoting moral values, and motivating civil servants to fulfill their duties responsibly. The authors analyze core principles of ethical conduct in the public sector, including transparency, fairness, accountability, and social responsibility. Special focus is given to motivational tools, communication of institutional values, and improving management practices. The article underlines the need for a unified ethical framework and its systematic renewal in the context of administrative reform. Implementing these measures is seen as crucial for building public trust, increasing governance efficiency, and enhancing the reputation of public authorities.

Keywords: corporate ethics, territorial communities, public administration, civil service, integrity.

У статті комплексно досліджено процес формування та впровадження корпоративної етики в органах публічної влади на рівні територіальних громад, які функціонують в умовах трансформації системи державного управління та децентралізації. Зазначено, що корпоративна етика є складовою управлінської культури, яка забезпечує дотримання загальнолюдських і професійних цінностей, сприяє розвитку відповідальності, підзвітності, відкритості та забезпеченню високої якості публічних послуг. Розглянуто ключові функції корпоративної етики: регулятивну, мотиваційну, інтеграційну, комунікативну та захисну. Наголошено, що ефективне впровадження корпоративної етики дозволяє підвищити довіру до органів місцевого самоврядування, сформувати позитивний імідж публічної служби, запобігти зловживанням, корупції, конфліктам інтересів та дискримінаційним проявам. У статті проаналізовано принципи, на яких ґрунтується корпоративна етика: повага до прав і свобод людини, законність, неупередженість, чесність, прозорість, доброчесність, лояльність, етична комунікація та відданість публічному інтересу. Визначено, що для сталого функціонування системи корпоративної етики необхідне створення нормативно-закріплених стандартів етичної поведінки, зокрема через затвердження кодексів етики для працівників територіальних громад, а також налагодження механізмів контролю за їх дотриманням. Описано ефективні організаційні інструменти: створення етичних комісій, призначення уповноважених осіб з питань етики, запровадження системи анонімного повідомлення про порушення етичних норм. Значну увагу приділено ролі навчання та підвищення кваліфікації працівників у сфері етики, проведенню тренінгів, семінарів, роз'яснювальній роботі серед службовців, формуванню культури постійного самовдосконалення. У підсумку зроблено висновок, що ефективна корпоративна етика є необхідною умовою сучасного публічного управління, стратегічним ресурсом розвитку територіальних громад, що забезпечує довіру, стабільність, конкурентоспроможність і прозорість діяльності органів влади.

Ключові слова: корпоративна етика, територіальні громади, публічне управління, державна служба, доброчесність.

Statement of the problem. Despite significant progress in the development of local self-government in Ukraine, the issue of corporate ethics in territorial communities remains highly relevant. The low level of public trust in authorities, the prevalence of corruption, and the lack of transparency in administrative processes indicate the need to develop effective mechanisms to ensure ethical behavior among officials and to enhance the level of corporate culture within local self-government bodies.

Analysis of recent research and publications. In the modern context, the formation of corporate ethics in territorial communities is of particular importance. The issues related to the development of corporate ethics have been addressed in the works of Bobrovska O.Yu. [1], Polishchuk N.S. [2], Zadykhailo D.V. [3], Semenenko I.S. [4], and Shcherbak N.V. [5]. However, it is necessary to develop key directions for the advancement of ethics in territorial communities.

Formulation of the research task. The purpose of the article is to substantiate the theoretical foundations and outline practical approaches to the formation and development of corporate ethics in territorial communities. The study aims to identify key principles, tools, and mechanisms for improving ethical standards in local self-government, as well as to highlight the role of corporate ethics in strengthening public trust and enhancing the efficiency of public administration at the local level.

Summary of the main research material. Motivation in managing civil servants should be based on meeting their needs, encouraging them to achieve both personal and organizational goals. The corporate culture of public servants includes the development of moral values, conditions for self-realization, and personnel motivation. This is achieved through the improvement of human resources processes and the establishment of an effective management style. The main corporate values include unity, efficiency, honesty, fairness, and discipline. Corporate culture has a positive impact on the reputation of a public authority and its strategy of public engagement [2,4].

Corporate culture and rules of conduct for civil servants can be formalized in the form of a "Code of Ethics and Conduct of Civil Servants," approved by the leadership of the relevant public authority. This code defines a system of key principles of professional behavior and the main ethical norms to be followed by all public servants, regardless of their position.

The main principles of corporate culture include: – a high level of corporate spirit among employees and continuous efforts to strengthen it:

- mutual respect and the absence of barriers in relations between management and staff;
- encouragement of initiative and a desire for self-improvement;
- adherence to ethical standards and rules of corporate conduct;
- compliance with the norms of business ethics;
- creation and maintenance of a positive image;
- development of a corporate style;
- responsibility to society.

This approach contributes to the formation of a unified culture of behavior and ethical standards, which enhances management effectiveness.

According to the Order of the National Agency of Ukraine for Civil Service No. 72–21 dated April 28, 2021,

"On the Approval of General Rules of Ethical Conduct for Civil Servants and Local Government Officials," the main obligations of civil servants and officials of local self-government are defined as follows:

1. While performing their functional duties, civil servants and officials must strictly adhere to generally accepted ethical norms, show goodwill and politeness, maintain a high culture of communication, and demonstrate respect for the rights and freedoms of citizens and legal entities.

2. Through their behavior, public servants must contribute to strengthening the authority of the civil service and local self-government bodies, as well as support their positive image.

3. In the performance of their duties, civil servants must avoid manifestations of rudeness, raised tones, or inappropriate comments regarding appearance, age, gender, or other characteristics of colleagues or citizens. They must also avoid allowing personal relationships to influence their professional activities or decisions.

4. Civil servants must continuously improve their cultural and professional level, including digital literacy, and enhance their skills in accordance with job requirements.

5. Particular attention should be paid to the use of the state language when performing official duties, improving proficiency in it, and avoiding any manifestation of language-based discrimination.

6. The attire of civil servants should correspond to an official business style, demonstrating professionalism and compliance with generally accepted standards.

7. An important aspect of conduct is the respect for national traditions and customs.

8. In case of violations of ethical norms or manifestations of discrimination or violence, the civil servant is obliged to immediately inform their supervisor so that appropriate measures can be taken (Table 1).

The reform of public administration at the present stage faces new challenges in shaping corporate culture. Corporate culture represents a set of norms, rules, principles, and values of public authorities, their mission, and their role in the socio-economic development of the country. It is a system of values and beliefs shared by all public administration employees, which defines their behavior and professional activity. The formation of corporate culture aims to create a constructive impact on the working atmosphere; however, new organizational norms may conflict with reality and therefore may be rejected by employees [1; 3; 5].

The main goal of corporate culture in the context of reforms is to create a motivational system for the effective performance of each civil servant. To achieve this goal, it is necessary to define common values and guidelines for both individuals and the organization. Undoubtedly, corporate culture serves as an innovative tool for the effective functioning of public institutions, helping to achieve state objectives through the diligent fulfillment of duties by civil servants. They are obliged to perform their tasks responsibly and professionally while preventing conflicts of interest [4; 5].

Decision-making by managers should be based on the principles of transparency and adequacy. Civil servants must provide each other with accurate and timely information while respecting confidentiality norms and considering

Table 1

General Duties of a Civil Servant and an Official of a Territorial Community

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|---|
| Civil servants and officials of territorial communities, while performing their duties, are obliged to unconditionally adhere to generally accepted standards of conduct, demonstrate politeness and goodwill, maintain a high level of communication culture, and treat the rights and freedoms of citizens, as well as the legitimate interests of public associations and legal entities, with respect |
| Civil servants and officials of territorial communities must, through their behavior, strengthen the authority of the civil service and local self-government, as well as enhance their reputation |
| In their behavior, civil servants and officials of territorial communities must avoid the use of inappropriate language and offensive expressions, demonstrate tolerance, and refrain from spreading false information or gossip |
| Civil servants and officials of territorial communities must continuously work on improving their cultural level as well as developing their professional skills |
| They are obliged to treat the state symbols with respect and to uphold a high level of reverence toward them |
| They must respect national traditions and customs |
| They are obliged to report to the head of the territorial community any violations of the rules of conduct by civil servants or officials that come to their attention |

Source: [6]

collegial decisions. In the event of corporate conflicts, they must be resolved through negotiation to ensure effective operation and maintain business reputation [1; 2].

The formation of corporate culture requires the following measures:

- staff motivation: recognizing achievements, stimulating career growth;
- improvement of management hierarchy and distribution of authority;
- development of effective criteria for position selection;
- optimization of organizational work and discipline;
- selection of an appropriate leadership style (authoritarian, consultative, or cooperative);
- improvement of decision-making processes and performance evaluation.

The corporate spirit of employees grows under conditions of high responsibility for the results of their activities. To further strengthen it, it is necessary to:

- clearly communicate the organization's mission and strategic goals to all employees;
- promote the mission at all levels of management;
- clearly define the role of each employee within the organizational structure;
- celebrate corporate events;
- raise the prestige of public institutions.

Territorial communities in Ukraine are actively developing, which requires continuous improvement of their corporate ethics. The key areas for improvement include:

1. Transparency and openness.
2. Prevention of corruption.
3. Accountability.

4. Fairness.

5. Social responsibility.

6. Training and development.

Corporate ethics in communities is the foundation of trust between the authorities and citizens, ensuring transparency and effective governance. The implementation of these measures will contribute to increased trust in public authorities, improved quality of public services, and enhanced investment attractiveness and competitiveness of communities [1; 4].

Conclusion. Corporate culture is a vital element of the successful functioning of the civil service, as it shapes moral values, motivates professional growth, and enhances the level of responsibility among civil servants. An effective corporate culture not only contributes to increased employee performance but also strengthens the authority of public administration and local self-government bodies. In the context of public administration reform, there is a growing need for the systematic renewal of corporate norms and standards that define the relationships between employees, leadership, and the public.

Key aspects of improving corporate culture include encouraging initiative, fostering ethical behavior, and promoting transparency in decision-making. The creation of a motivational system that supports professional growth and recognizes achievements is a fundamental objective. It is essential to ensure compliance with business ethics, transparency of processes, and accountability to society.

Thus, the implementation of these measures will contribute to improving the quality of public administration, enhancing the reputation of government bodies, and strengthening citizens' trust in the civil service.

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