

# INTERNATIONAL JOURNAL OF MULTIDISCIPLINARY: APPLIED BUSINESS AND EDUCATION RESEARCH

2024, Vol. 5, No. 3, 1008 – 1012

<http://dx.doi.org/10.11594/ijmaber.05.03.23>

## Research Article

### Study on the Adherence to the Code of Ethics of Select Customs Broker Practitioner in the Philippines

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#### Article history:

Submission March 2024

Revised March 2024

Accepted March 2024

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#### ABSTRACT

Every profession has a different focus of specialization and every professional's competence are measured against their level of expertise, effectiveness, and efficiency. Meanwhile, conflict is inevitable, and it may cause destructive impacts if not managed properly. On one hand, Custom Brokers, as per "Custom, Broker Act of 2004" are professionals who render consultation, preparation of customs requisite document for imports and exports, declaration of taxes, etc. The study assessed the extent of adherence of customs brokers to code of ethics in terms of Competence, Respect, Integrity, Justice and Fairness. The customs broker's adherence indicates the extent of practice of their code of ethics and results revealed that, customs brokers usually and always adhere to code of ethics. However, results also revealed that, there is a significant difference in the assessment of the Customs Broker Practitioners towards adherence to Code of Ethics.

**Keywords:** *Ethics, Code of Ethics, Customs Practice, Customs Broker Act 2004*

#### Introduction

In the practice of customs broker profession, conflict cannot be avoided between customs brokers, customs brokers and clients, customs brokers and Bureau of Customs, other government employees and in relationships with other professionals or parties. Thus, professional conflict and sometimes personal conflict is a foreseeable result of professional practice. There is conflict when people have

incompatible insight, goals, values or belief and practices that cause discomforting differences in workplace and organization. Primarily, it is based upon a different situation wherein each party is supposed to be acting in good faith, by giving his or her best to professionally carry out the duties and task entrusted to him or her, and the reality that there is no individual or group is perfect or has a control over all knowledge or insights. On that basis, it is

#### How to cite:

Doyo, J. R., Gutierrez, E. B., Dante, J. M., & Agapay, A. B. (2024). Study on the Adherence to the Code of Ethics of Select Customs Broker Practitioner in the Philippines. *International Journal of Multidisciplinary: Applied Business and Education Research*. 5(3), 1008 – 1012. doi: 10.11594/ijmaber.05.03.23

expected that each side should be respectful, and at least make an attempt to understand the views and opinions of the other party. The presence of conflict in life and business is considered normal and not a hitch, the question is how people manage and decide on it. Moreover, a critical competency for today's working professionals is to understand that we each have our own way of dealing with conflict.

**Methods**

The study utilized a quantitative-descriptive design to determine the extent of practice of customs broker adhering to the code of ethics as provided by the Customs Broker Act of 2004. Lastly, differences in the perspective of customs brokers from different industry are determined.

**Sample and Sampling**

One hundred customs broker practitioner were utilized in the study specifically from the Academe, Industry and Government by way of Purposive Sampling.

**Result and Discussion**

**Demographic Profile of the Participants**

Table 1. Frequency Distribution of Customs Brokers Profile

Affiliation	f	%
Academe	20	20
Industry	50	50
Government	30	30
Total	100	100
<b>Sex</b>		
Male	57	57
Female	43	43
Total	100	100
<b>Age</b>		
Below 25 years old	26	26
25 – 30 years old	29	29
31 - 40 years old	24	24
41 – 50 years old	16	16
Over 50 years old	5	5
Total	100	100

Majority of the participants are Industry Practitioners, male and twenty-five to thirty years old as required by the industry.

**Research Instrument**

A self-made four-point scale instrument is used in the study containing items specifically for Competence, Respect, Integrity and Justice representing the Code of Ethics for Customs Brokers while Accommodating, Avoiding, Collaborating, Competing and Compromising are used to represent Conflict Management Style. The instrument's reliability is tested by means of Cronbach Alpha and obtained coefficients of >0.80 respectively for each of the variables. Pearson correlation is also used to determine the validity of the items in the instrument and obtained a P-value of <0.05. Participants were asked to answer the four-point scale instrument for academic Code of Ethics and Conflict Management with the following interpretation:

3.51 – 4.00	Always
2.51 – 3.50	Usually
1.51 – 2.50	Sometime
1.00 – 1.50	Never

**Code of Ethics: Competence, Respect, Integrity, Justice, Fairness**

Results revealed that, Industry Practitioner usually adhere to the code of ethics as shown in Table 2.

Table 2. Summary of Assessment with regards to Code of Ethics by Industry Practitioner

Code of Ethics	Mean	Interpretation
Competence	3.20	Usually
Respect	2.53	Usually
Integrity	3.47	Usually
Justice	3.30	Usually
Fairness	3.00	Usually

Legend: 4.00-3.51 Always, 3.50-2.51 Usually, 2.50-1.51 Seldom, 1.50-1.00 Never

As indicated in the results, the overall assessment on the adherence of brokers who work in private industry tend to usually adhere to code of ethics since there are external factors prohibiting them to fully adhere to said codes such as making more client and create long term

relationship as their priority giving importance to their livelihood. Some code of thics are mentioned from the study of Nafisa, Birra et al (2023), code of ethics such as Integrity, objectivity, prudence, confidentiality and professionalism.

Table 3. Summary of Assessment with regards to Code of Ethics by Government

Code of Ethics	Mean	Interpretation
Competence	3.47	Usually
Respect	3.26	Usually
Integrity	3.50	Usually
Justice	3.30	Usually
Fairness	2.53	Usually

Legend: 4.00-3.51 Always, 3.50-2.51 Usually, 2.50-1.51 Seldom, 1.50-1.00 Never

Results revealed that, customs brokers who worked in the government tend to usually adhere to the customs broker’s code of ethics since there are also external factors influencing

the adherence to the codes such as custom practices contradicting the supposed practices of customs brokers and the need to compromise is present to ensure smooth transactions.

Table 4. Summary of Assessment with regards to Code of Ethics by Academe

Code of Ethics	Mean	Interpretation
Competence	3.57	Always
Respect	3.53	Always
Integrity	3.57	Always
Justice	3.60	Always
Fairness	3.52	Always

Legend: 4.00-3.51 Always, 3.50-2.51 Usually, 2.50-1.51 Seldom, 1.50-1.00 Never

Results revealed that, customs brokers who worked in the Academe tend to always adhere to the customs broker’s code of ethics simply because academicians are guided by the

teachers code of conduct and as provider of knowledge, it is imperative that they adhere to all codes of conduct.

Table 5. Differences on Assessment with regards to Code of Ethics

Code of Ethics	Affiliation	Mean	Sig
Competence	Government	3.47	0.047
	Industry	3.20	

Code of Ethics	Affiliation	Mean	Sig
Respect	Academe	3.57	0.021
	Government	3.26	
	Industry	2.53	
Integrity	Academe	3.53	0.030
	Government	3.50	
	Industry	3.47	
Justice	Academe	3.57	0.021
	Government	3.30	
	Industry	3.30	
Fairness	Academe	3.60	0.001
	Government	2.53	
	Industry	3.00	
	Academe	3.55	

\*\* Significant at alpha 0.05

As indicated in the results shown in Table 5, results revealed that there is a significant difference in the assessment of customs brokers towards Competence, Respect, Integrity, Justice and Fairness with P-values >0.05 respectively. This means that, though, they adhere and observe the same code of ethics, the extent of practice differ from one industry to another.

### Conclusion

Ethics is determining what is right from wrong, thus, adhering to code of ethics is a must for all professionals. The code of ethics in the brokerage industry serves as the foundation of customs practices and observing and giving paramount importance in its application to customs brokering transactions is always mandatory. Practitioners who tend to imbibed code of ethics in their profession is considered not just a professional but also ethical practitioners. In the case of Customs Professionals, the adherence is a must and expected by their clients and the Bureau of Customs as well as the Professional Regulation Commission. The extent of the customs broker adherence to code of ethics must be given a paramount importance at all times.

### Acknowledgement

The researchers would like to acknowledge Dr. Carl Mark B. Miniano, Dean of SBAA in EAC Cavite never ending support and encouragement.

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