

Overview on business ethics and human resources management ethics

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Abstract: In the contemporary business world ethics represents one of the most exciting challenges, precisely because there is still no universally valid modality for solving a problem of this kind. Adopting an ethic personal behavior does not always ensure winning in the problems regarding the actual business, nor in the organizational behavior itself. The personal values, either native or gained by an individual throughout his socializing do not represent a support or advantage in the attitude towards the economic life. What is it that actually concerns the managers: to succeed in their activity or to have an ethic activity? A successful business is necessarily an ethic one, or one lacking ethics? In particular, should the human resources manager choose the human factor of solid moral and ethic grounds, or the one exclusively focused on money quantifiable performance?

Perhaps it would be easier if managerial theory ignored the ethical aspects confronted by the management practice. Why raise questions on why and how to behave in a certain situation, if consequent to obvious actions an organization would gain?! To whom is it useful to waste time on analyzing alternatives, some more ethical than the preferable version in financial terms? What could the organization obtain as compensation for the money it would lose but not applying money generating measures, regardless the consequences?

The questions similar to the ones above are not only limited to the said.

Specialists are most frequently concerned with business ethics as set of moral principles and standards governing the behavior in the business environment. However, unfortunately managers don't have time to study, or even don't have profound knowledge regarding ethics and equity among employees, regarding the said and the other employees on the labor market, and worst, they are often not interested in such observations and investigations...

Many managers spend most of their days at work, facing apparently insurmountable professional situations and inter-human confrontations. The last mentioned ones are actually the ones on which the level of efficiency and competitiveness depend.

There are many cases of managers who live to work. For them, each sun raise comes with the joy of at least one objective to be achieved, regardless the financial security and social status implied by achieving it. In their case, managerial success means scientific knowledge and practical experience, and also emotional coefficient which could influence the decisions they make, in most cases after ethic thinking and moral judgments.

Passionate managers also exist, who are not satisfied with envied careers, demonstrating that they are in charge with the processes around them, directing and controlling professional activities. And in the decision making process logic is accompanied by senses and sensations, feelings and bad feelings, by genuine emphatic actions, not only on a declarative level, but also along with natural, connected well justified reasoning. Sometimes, this passion is of positive connotations and in ethical, equitable moral parameters. There are more alarming the realities of those organizations where the spring and impetus of the managers are translated by passion subjugated to personal interests, independent or even divergent from the general ones.

Lately the number of managers has increased who pay attention to their emotional intelligence, which they use almost permanently and encouraging the increased number of persons open to development, by using any means considered as acceptable by their own set of values. They understand their condition in life, knowing how to express themselves in harmony with their own being¹.

¹ Lassus, R. de, *Descoperirea sinelui*, Editura Teora, Bucuresti, 1999.

Rich businessmen in rich organizations are not stimulating research on self knowledge, or in any case not among managers, or other persons who could influence other people's destiny. It might be thought that not understanding the human dimension is unconsciously neglected, because for too many years managerial interest has been mainly focused on facts, operations and activities or results. It has been and continues to be essential the effect obtained upon levels that are higher than those of the competition. It hasn't been too important how and who would get those results. And when human relations have begun to gain field in the area of knowledge, investigating was grounded on needs and possibilities of satisfying them. Nothing on the competencies of the executives, nothing on the achievements of the multitude of individuals by fulfilling their aims or needs, nothing on the origins of all human needs. A case-effect of the research, focused on engram are: perfectionist; generous; efficient; original-sensitive; knowledge thirsty logic; nice intuitive; controversial by contradicting and often un-finalized interests; strong combatant; patient careful. Which of these types are more often, more rarely or not at all confronting with ethical decisions?!

Of course since long ago studies have been initiated on organizational behavior upon the moment when conflicts appear between the employees' personal values and those of the organization. It is also true that many attempts exist of identifying the ethical problems in organizations. Nonetheless, maybe not in view of finding the most appropriate solutions according to the decision maker's credo, beliefs or ethical expectations, but rather with the organization's economic purpose.

The present is on the business ethic's side. And the assertion is supported not by the importance of the field, but by insufficient transparency. Both scientists and prac-

titioners have numerous uncertainties – the first mentioned ones, or gaps in their specialized training – the last mentioned ones.

Frequently the question answered by ethics is if certain business practices are acceptable or not (such as omitted information or changed information on the interest for a contracted loan or reduced feasibility of a good, or lack of interest for expensive investments in increased safety measures for a product). Without considering aspects regarding their lawfulness, this sort of actions are anyway regarded as right or wrong, and the one who has to judge them, to assign justice to one party or the other, proves a lot of imagination and creativity.

On a conceptual level, ethic decisions, either made in the business world or regarding inter-human relations in an organization, gravitate around the responsibility of weighting values in order to reach unprecedented decisions, whereas accepted rules are useless, and the accent is rather on personal values and judgments. Evolved people tend towards high ethic standards, calling both for the business environment and for the individuals to comply with solid moral principles.

The particularities of ethics applied to the dimension of business or to that of the human factor involved in this process are subordinated to the permanent pressure from the dilemma of making a profit or answering to the society's needs and demands, on one hand, but also on the nature/quality of people employed in those businesses. Compromises and compensations are those raising ethical issues. Referring to those unique aspects in the economic life, society has developed rules – lawful and implicit – aimed to direct businessmen in their efforts of gaining a profit by means which would not damage individuals. It is known that laws are made by people and for people, yet people are also the one breaking them. And in respect with

rules, standards and moral principles of the business behavior, it is open to public opinion. Good and evil take shape depending on interests, compared to which social responsibility and social value are fading.

Ethics is only achieved in businesses when such are managed by people of ethical principles. There are representative those who consider that if an institution employs good professionals, also with solid moral principles, it is enough for that organization to have an ethic behavior. Nothing could be more false. However, it is a plus in order to generalize an ethic business behavior.

Usually, a serious organization, concerned of its future, does not establish rules regarding personal ethic problems, yet it imposes politics of moral and ethic content regarding its products, its rapports with the partners, its internal attitude towards employees, and also the external attitude regarding potential employees.

By using this new concept of “emotional intelligence²” the way of evaluating human intelligence has actually been revolved. Comparative with traditional management, an ethical management is rather subordinated to the five components of emotional intelligence – self-awareness (knowing your possibilities, limits, desires, as well as their effects on those around, by understating your own emotions, realist self-assessment, self-confidence); self-regulation (knowing to control your resources, your states, impulses, by self-controlling your emotions, giving trust, consciousness, adaptability and innovative capacity); self-motivation (being passionate about daily work, not necessarily due to the money generated by such, but rather for the purpose of achieving something, of demonstrating attachment to people, of giving

² The American psychologist Daniel Goleman grounded his theory in “*Emotional Intelligence*” (1995) and “*Working with Emotional Intelligence*” (1998).

ing proof of initiative, of optimistically persisting in achieving goals); empathy (being aware of the needs, concerns and feelings of those around, by understanding and supporting for differentiated development, or by focusing evolution towards their own needs) and social ability (being skilled in manipulating the others by establishing relations, team work, collaboration and cooperation, communication, influencing, conflict control, focusing on change, in conclusion, by demonstrating leadership).

An ethic and intelligent manager – in emotional sense also – becomes aware of his actions by responsibility, creativity and frequent altruism. He is not far from the team, he is next to the others and leads them from the shadow or gives them the impression that the decision making process comes from unanimous conviction. It is easier for him to identify the problems raised by the ethical aspects and it is comfortable for him to operate distinctions between good and evil, between right and wrong, between true and false.

Life demonstrates that precisely these gaps in the managerial education and practice consolidate local habits, encouraging bribery, pay offs, payments, advantages or secret agreements, fees or portions from earnings, so-called promotions with free gifts or discounts, discriminatory prices by favoritism, products with complete service granted only to certain persons...

There are also long established unfair practices regarding subordinates, to whom incorrect, dishonest treatments are applied, far

from moral integrity and impartial correctness of the decision maker. Misrepresenting reality occurs since bringing people into the organization, by breaching the in force norms and laws, by giving up to valuable candidates because they are not related to the “proper persons”. Once this step is taken, there is no obstacle in left in front of preferential salaries, cutting down equity in allocating working tasks and rewards, in blocking certain persons in their career evolution in order to give way to others, maybe less entitled on a professional level.

There are also problematic on an ethical level incomplete, incorrect, inexact or even unreal communications; false or misleading advertising; dissimulating or discretionary organizational relations, with no content yet nicely enunciated in front of extended audience; discriminatory behavior; non-value culture and personality cult...

Most times the economic interest is primordial and does not request the knowledge of the decision maker in respect with concrete ways of achieving a purpose. Situations also occur when managers are concerned with strict or limited compliances with lawfulness, and only with the explicit form of the business, without going into the details of the procedures' intrinsic connotations.

Why try to push correctness to the limit of the most sensitive aspects of working with and among people, if everything that is intended is obtained especially without a code of morale, ethic and equity, of good manners in business and at work, among colleagues?

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