MAJOR ETHICAL CHALLENGES THAT MANY ORGANIZATIONS FACE TODAY

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Abstract

In the complex business environment of the 21st century the path to success requires much more than technical skills, practical knowledge and good products because companies of every size face a multitude of ethical issues and challenges. Companies face many types of challenges, from financial strain to competition but ethical challenges can be harder to detect and more difficult to remedy. Ethical challenges will not provide specific answers for the specific dilemmas that people face but will help readers bring to conscious awareness some understandings that help in thinking through ethical issues.

The demands and expectations of the society about business ethics are high. But despite assumptions that the current business ethics needs to be slightly improved, it has not been improved as soon as public expectations have increased. But, when analyzing the other side we will see that more and more organizations are finding that ethical training is an integral component of their business and the importance of understanding what ethical issues business people face has increased.

The purpose of this paper is to study ethical challenges as one of the main current challenges faced by organizations today and using a questionnaire we will try to discover what are the major ethical challenges in the working place, what are the ethical challenges that managers face every day, why unethical behavior occurs in organization and finalizing with the dilemma how to respond better to ethical challenges in organizations.

Keywords: Ethical challenges, unethical behavior, organizations, business ethics

I. INTRODUCTION

Ethics is a concept that is hardly defined in existing literature. It relates to the theme of philosophy itself and has its roots about 2,500 years ago, since Socrates, Plato, and Aristotle began to be interested in human behavior issues (Brickley, Smith, Zimmerman, 2002). Ethics refers to the study of what is morally good and bad as well as which issue is right and which wrong. Ethics penetrates in the interactions of all stakeholders including owners, consumers, employees, creditors, etc. Almost every action and decision that people make within a day affects other people, which mean that every decision and action is subject to ethical analysis. The history of ethics in business goes back as far as both ethics and business. Today, in the contemporary and competitive world of business, due to the impact of globalization and new technologies, ethics and ethical elements increasingly they are becoming important. There is

a public awareness related with ethics that is far more prominent than it was only a few years ago. Why? Because, only in recent years we have seen unethical behavior in all spheres of life, among our politicians, judicial system, government, and of course between business organizations and business leaders. The scandals about bribery, insider trading, false advertising, and the like, the stories about Enron and Arthur Andersen and Bernard Madoff's Ponzi scheme, constitute what is generally regarded as misconduct in business and what the general public associates with business ethics—or more precisely, with the failure of businesses to act ethically.

Business ethics is considered as part of general ethics and according to De George (1995) can be defined as "a movement within a business or movement to build explicitly ethics in corporate structures in the form of codes of ethics, ethics officials, ethical committees and ethical training".

According to Ferrell et. al. (2011: 7) business ethics comprises moral principles, values and standards that guide good behavior in business world. According to Crane and Matte (2007: 5) business ethics is a study of business situations, activities and decisions involving right and wrong issues.

Responsibility in business is great, especially acting within the ethical boundaries. We have a responsibility towards consumers, suppliers, employees, environment where we live, etc., which means that doing business ethically is important regardless of whether our position is that of the owner, customer or worker. However, one thing is clear, we as the manager of the enterprise we are obliged to tell the truth, to obey the law, to respect the golden rule, to show respect for the people, and so on. (Ajdini, 2012: 8).

II. CHALLENGES AND ETHICAL ISSUES IN THE WORKING PLACE

Ethical challenges have to do with a problem or situation that requires a person or organization to choose between alternatives that should be considered as good (ethical) or wrong (unethical). Managers and employees are faced with daily issues of ethical dilemmas of different types. In the following we will show some of the ethical issues faced by employees and managers.

Ethical issues of employees
- Making long phone calls at company cost. Some organizations offer a refund for employee phone bills, especially if the employee has to do with a job which includes the use of the phone. It is unethical to take advantage of the fact and making personal phone calls.
- Taking home, the tools of the company such as paper clips, papers etc. It would probably have gone unnoticed by cameras, but definitely does not say much about their behavior.
- Obtaining excessive permits beyond the allowed number is a violation of the ethical code. This not only leads to loss the company but also brings you a bad name. Sounds unethical, right?
- Wrong use of the machinery. Some employees use the office computer and printers for personal use such as long prints, heavy downloads, and so on. Personal work should be kept personal!
- Traveling benefits. These are applicable to employees who constantly move, such as marketing staff, so it's unethical to use it for personal gain!
- Violation of company rules. Violating any of the company's rules may lead to undesirable issues between the company and you. Failure to maintain the privacy policy of the company is another kind of breaking the rules. Each company has its

own privacy policy. An employee does not have the right to provide company data to another company / competitor.

- Offensive communications. Employees are not allowed to use offensive language in the office. But everything that goes beyond the walls of the company cannot be considered.
- Working in more organizations. An employee cannot work in more than one company at the same time. If this happens, this person can be criminally prosecuted and removed from both organizations at the same time.

Ethical issues of employers
- Favoring. This means that the employer can favor a particular person with regard to promotions and bonuses and visibly neglects other qualified employees. This behavior is considered too unethical by the employer.
- Sexual harassment is not legal / ethical / moral, whether in the workplace or outside it. Physical harassment of an employee sexually, or refusal of an action against those involved in such acts is strictly prohibited.
- Terminating an employee without any notice. In some cases, for reasons like budget management, companies choose mass dismissal to reduce the number of employees. Such interruptions should be made after warnings for at least one or two months, so that the person finds another job. The notice period should be used to avoid confusion.
- The unnecessary delay in paying employees' insurance funds and remuneration after leaving the organization is a violation of professional ethics. (Http://www.speedupcareer.com/articles/ethical-dilemmas-in-workplace.html).

Listed below, according to the Ethics Resource Center (ERC) survey – there are five most unethical behaviors commonly observed at the workplace in the United States (https://www.bizjournals.com/philadelphia/blog/ guest-comment/2015/01/ commonunethical-most-behaviors-in-the.html)

1. Abuse of company time

Misuse of company time leads the list ranging from work delays to time spent on personal work. This category includes that one of your colleagues is doing personal business at the company's time. From "personal business" we mean calls within the working hours to advance your private business, other family calls, etc.

2. Abusive behavior
Many jobs are filled with managers and supervisors who use their position and power to mistreat or disrespect others. Unfortunately, except in certain situations involving race, gender or ethnic origin, there is often no legal protection against abusive behavior in the workplace.

3. Thefts done by the employees
According to a recent study by Jack L. Hayes International, one in every 40 employees in 2012 was caught stealing from their employer. Even more surprising is that these employees steal 5.5 times more than thieves in stores ($ 715 vs. $ 129). Ethical vigilance: The FBI has recently reported that stealing from employees is the most serious crime in the US today.

4. Lying to the Employee
The fastest way to lose your employees' trust is to lie to them, but employers do it all the time. One in every five employees reports that their manager or supervisor has lied to them within the last year.

5. Infringement of company's internet policies
Cyberslackers, Cyberloafers. These are terms used to identify people who browse the Web when they need to be working. It's a huge problem, many billion dollars for companies. A recent survey by Salary.com found that at least 64 percent of employees visit websites that are not related to their work. Who would have thought that checking the Facebook site is becoming an ethical issue?

II. RESEARCH METHODOLOGY AND EMPIRICAL ANALYSIS

Our research focuses on the Polog region where we surveyed a total of 30 employees and 5 managers in randomly selected private companies. Successful data processing and the accomplishment of the study goal of this paper apply theoretical analysis as well as a combination of general methods scientific (statistical, inductive, deductive, methods of analysis and synthesis, and comparative methods).
In the following table (Table 1) we have the data collected by the managers that we obtained from the prepared questionnaires. Questions or better told the dilemmas we put to managers related to the theoretical part by introducing ethical dilemmas that are related to managers in organizations outside the country. If we analyze the inside of the table, we will see that our country's managers face the same problems and ethical dilemmas as international managers.
From dilemmas or ethical issues submitted we have the following results:
- Most managers, equally to 60% said that workers often use time for personal purposes that is one of the most widely discussed ethical dilemmas since it is very unethical;
- In filing a case about the company's internet if it is used for personal purposes (Facebook, Instagram, etc.) 40% of managers responded that the employees use them *often* and 20% *too often* that in total indicates that most employees use the internet for personal purposes not only for the interests of the company. 20 % of managers *had no information* about this issue and 20% of the managers believed that their employees *never* use the company internet for personal purposes.

TABLE 1. MANAGING DATA MANAGED

ETHICAL DILEMA	VERY OFTEN	OFTEN	NO INFORMATION	RARELY	NEVER
Workers try to use time for personal purposes?	20%	60%	0%	20%	0%
The company internet is used for personal purposes (facebook, instagram, etc).	20%	40%	20%	0%	20%
Employees deceive for the purpose of obtaining a work permit!	0%	20%	20%	20%	40%
Employees work in more organizations in the same quarter?	0%	0%	40%	0%	60%
Discussing about respecting rules with employees	20%	40%	0%	20%	0%
Workers report the ethical violations they may attended in company?	0%	0%	0%	60%	40%
I always pay on time obligations to workers	80%	20%	0%	0%	0%

Source: Compiled by the authors themselves

- The third dilemma had to do with that, whether workers were deceiving for the purpose of obtaining a work permit! The result from managers were: 40 % answered that their employees *Never* lied or deceive for obtaining work permit and 20% answered *rarely*, which means that most managers think workers are not abusing their work permit;
- The fourth dilemma had to do with the dilemma if employees worked in multiple organizations at the same time, where most managers (60%) were confident that this *never* happened and 40 % of managers *had no information* about this issue;
- Most managers (40%) have confirmed that they *often* discuss ethical issues with employees, *very often* responded 20% of managers who in total represent that 60% of managers are aware of discussing ethical issues with employees;
- It is worrying that, according to managers, most workers 60% *rarely* and 40% *never* report the ethical violations they may notice in the company;
- In the last issue addressed to managers if they repay the obligation to the majority of employees over time, 80% said *very often* and 20% *often* that indicates the senior managers' awareness of employee payment on time.

In **Table 2** there are data from employees that also relate to the theoretical part, meaning with the challenges and ethical issues that employees face in their daily work in the organization. The questions put to the employees we tried to formulate them in such a way as to make a conclusion how they respect the rules and what are some of the unethical behaviors that are observed in them.

From the dilemmas or ethical issues put forward to the workers we have the following results:

- in asking how much employees feel satisfied when they spend the day working 33% *fully agree* and 50% surrounded the option *agree* and feel good when they have worked honestly at work and approximately the same answers we got to the second question where most employees thought that time should be used efficiently;
- an ethical issue that is mostly discussed in enterprises is stealing from the employees. We put this issue to employees and not to managers and the results were: 33% of them *disagree* with the fact that stealing is fine as long as you do not get caught, 57% *strongly disagree*, while only 10% are *neutral* or have no answer on this issue;
- The golden rule says 'treat others as you want to be treated' where the fourth question relates to this dilemma and the workers' answers were that 100% of them *strongly agree* that is very important to treat others just like you want others to treat you;

TABLE 2. DATA COLLECTED BY EMPLOYEES

ETHICAL DILEMA	FULLY AGREE	AGREE	NEUTRAL	NOT AGREE	NOT AGREE AT ALL
I feel satisfied when I spend the day working	33%	50%	10%	7%	0%
Time must be used effort	33%	50%	7%	10%	0%
Theft is alright, while you are not caught	0%	0%	10%	33%	57%
Treat others as you want to be treated	100%	0%	0%	0%	0%
There are cases when theft is justified	0%	3%	17%	33%	47%

The manager talks for respecting rules with employees	7%	44%	13%	33%	3%
I feel free to report ethical violations?	0%	13%	7%	43%	37%
Working with honor is primary for you	43%	37%	7%	10%	3%
I use official guides for personal purpose	0%	0%	23%	67%	10%

Source: Compiled by the authors themselves

- In the next dilemma, which states that there are cases when the theft justifies the answers were as following: 47% of the respondents said they *did not agree at all*, 33% did *not agree*, we are worried that 17% were *neutral* and had no answer and 3 % said they *agree*, which asserts that workers in certain cases such as poverty or bad economic situation may make such a gesture;
- Approximately the same answers to those given to managers about the dilemma if the manager speaks about respecting rules with employees, so 44% of the respondents said that they *agree* and 7% surround the option *completely agree*, but there were also those who were *neutral* (13%) and do *not agree* 33% of respondents;
- about the dilemma if employees feel free to report ethical violations that can be observed in the organization most of them 80% do *not agree* (43% disagree and 37% disagree at all) because they do not feel free of what reaction they can take from the manager, 7% are *neutral* and 13% *agree* on this issue;
- about filing the note if doing the job honestly is primary for the employees we got the following data: 43% *fully agree* on this issue, 37% *agree* that in total it is that most of the workers (80%) work honestly and then we have 7% who are *neutral* or have no answer, 10% do *not agree* and *do not agree* at all 3% of the total of the respondents.
- the last issue relates to whether official trips are used for personal purposes, as we can see from the data shown in the table 77% *disagree* (67% disagree and 10% disagree at all) and have 23% who are *neutral* or have no answer.

CONCLUSION

Unfortunately, unethical behavior by both managers and employees is happening in organizations and we can never say we have 100% ethical or unethical behavior. Dissatisfied employees violate codes of conduct of their companies all the time, abusing company time, receiving rewards for work they did not commit themselves, harassing their colleagues as well as many other examples that report on ethical issues in the workplace. On the other hand, unethical behavior in managers happens when they threaten workers with layoffs, favor more workers than others, and abuse their positions, and so on. Our data in the Polog region are hopeful as responses received by both managers and employees do not report major breaches of the rules, which means that the situation does not appear to be very disturbing. However, we have to consider the fact that the study was done in a small number of enterprises and a small number of managers were interviewed, where in the future we think we will carry out further studies on this issue involving a larger number of respondents.

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