

ETICS IN MODERN MARKET ECONOMY

ETICA ÎN ECONOMIA DE PIAȚĂ MODERNĂ

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Abstract. *Judge once as a trifle, ethics is seen today as a fundamental aspect of management. Management ethics-determination is what means "fair", "correct" and "just" in decisions and action that will affect others –passes the simple problems like corruption, steal and swindle. Management ethics focuses attention on human relations-with employees, clients, shareholders, creditors, distributors or with community members from our department. Solving the ethics dilemmas in management, does not represent just a delimitation between good and bad, correct and incorrect, but also is a complex aiming a balance between economical and social performance of the firm, tacking in consideration all what could happened. Solving ethics dilemmas by the managers is not easy, and the decision will depend all the time of their personality, experience, education, his feelings, and attitude and personal values. Thomas W. Dunfee, professor in Ethical bussines, Pennsylvania, identifid eight **practical fundamentals in ethical business.***

Rezumat. *Considerată cândva ca un moft, etica este văzută astăzi ca un aspect fundamental al managementului. Etica managementului - determinarea a ceea ce înseamnă "drept", "corect" sau "just" în deciziile și acțiunile care îi afectează pe alții - depășește simplele probleme cum ar fi corupția, furtul sau înșelăciunea. Ea se concentrează pe natura relațiilor interumane - cu angajații, cu clienții, cu acționarii, cu creditorii, cu distribuitorii sau cu membrii comunității în care ne desfășurăm activitatea. Soluționarea dilemelor etice în management nu reprezintă doar o delimitare între bine și rău, corect și incorect, ci este vorba despre o judecată mult mai complexă vizând obținerea unui echilibru între performanțele economice și cele sociale ale firmei, cu luarea în considerare a tuturor variantelor și consecințelor ce pot apărea. Rezolvarea dilemelor etice de către manageri nu este deloc ușoară, iar decizia va depinde întotdeauna de personalitatea acestuia, de educație, experiență, de sentimentele sale, atitudinile și valorile personale. După Thomas W. Dunfee, profesor de Etica Afacerilor, Pennsylvania, pot fi identificate opt **principii practice ale eticii în afaceri.***

Judge once as a trifle, ethics is seen today as a fundamental aspect of management.

Given been the leading positions, ethics must be "a way on", a way of progress. An ethical conception is essential in drawing support and positive involvement of all whom participating in that specific business: successful employees, clients, shareholders, creditors, distributors or with community members.

This is mentioned as the main problem in management ethics: permanent conflict between economical performances of firm, measured trough incomes, costs, and profits to the shareholders, firm social performances, clients, shareholders, creditors, distributors or with community members from our department. So, management ethics dilemmas in management, do not represent

just a delimitation between good and bad, correct and incorrect, but also is a complex judgment, taking in consideration all that could happened.

Every enterprise has a certain **responsibility** in economical and social plan; this point of view is accepted by all the business “actors” of the world. In a classical way of speaking about the ethics –the firm is to bring benefits to the shareholders; maximum profit is the second priority of the firm, first being the well being of everybody involved in the business.

In this respect, the manager’s **ethical obligations** would be addressed:

- To the shareholders: fair administration, loiality, information, transparency, confidentiality;
- To the employees: fair payment, professional development, respect to them personal life, respect to them petitions;
- To the clients: quality services/products, guaranty, information;
- To the community: protecting the environment, helping in solving the social problems, respecting the culture diversity.

Business ethics is essential for successful on long term.

Confidence means as a matter of fact trying to lower the taken risk and is referring to:

- Confidence in contractors relationships;
- Confidence in consumers relationships: a salesmen will win the client confidence when is honest, competent and nice. Clients expect for the salesmen the deliver quality and the correct information about the product;
- Confidence in employee’s relations: confidence must be taken to superiors and to subalterns, too. A confidence environment means a good communication, employee fidelity, confidence, diminishing the conflicts between employers.

It is impossible, in conditions of increase competition in business area, to decide all the time favoring of social performances.

On another way, isn’t possible to decide every time in favoring economical performances.

For these problems-in fact ethical dilemmas-**the law** can be helpful; it is *referring at a serial of norms given by the society*, to guide the person conduct into society.

It isn’t easy for managers to solve these ethical dilemmas, and the decision will depend all the time of his personality, experience, education, his feelings, attitude and personal values.

Thomas W. Dunfee, professor in Ethical bussines, Pennsylvania, identified eight **practical fundamentals in ethical business**:

1. Confidentially ;
2. Sensibility in approaching conflict;
3. Respecting business laws and rules;

4. Professional consciousness, professionalism;
5. Loyalty and good faith;
6. The sense of responsibility;
7. Respecting the rights and freedom of others;
8. Respecting the human being.

In many situations in business it was proved that ethics represent a necessity and respecting the ethics fundamentals we'll bring good results, in every area. Business practice demonstrates that ethics in business represent a good investment on long terms, because is *creating a favorable image and long lasting for every firm or personality*. Ethics is the best advertising that a company can do for itself.

The fundamental relation on which ethics focus her attention in business is the due between the economical performances of enterprise measured trough incomes, costs, profits and due to the shareholders, firm social performances, clients, shareholders, creditors, distributors or with community members.

When we talk about ethics in a firm we must think at all dimensions what involve this:

- Personal ethics;
- Fellows ethics like organization members (achieving the purpose respecting the internal rules);
- Organization ethics;
- Enterprise ethics in his relation with contractors, clients, mass-media, society;

Business strategy and ethics are creating an ensemble at organization level. We can conclude that developing good ethics is profitable; must be seen as an investment on a long terms.

Advantages in apply ethics in business:

- Market advantage ;
- Superior performances ;
- Higher earnings in management reputation;
- Legal and financial advantages.

The ethics is driven by relationships between employees and their dependence on qualities and leading capacities of their managers.

Ethics and employees. Generally, activities regarding leading human resources (as recruiting and selecting personal, formal evaluation, record analysis, remuneration etc.) are those who frequently confront the ethic dilemma. To encourage ethics, in administration area of human resources, managers can sustain some activities like:

- Recruiting employees in departments whit a sensitive ethics, this persons will know all what involves this domain, ethically speaking;
- Recruiting people who's personal ambitions are temperate of other

objectives; excessive ambition can make employers to brake the law and to ignore ethics;

- Encourage his trust and his total loyalty; this will make the employers to feel good when in that firm persist ethics;
- Growing the relation between personal and superiors will improve communication;
- Dividing work tasks so that employer be motivated and to feel appreciated;
- Establish internal mechanisms against illegal behavior and without ethics; who is at the same level with a small productivity and theft;
- Creating some norms to give awards after the performances is achieved;
- Establish some moderate sanctions, but frequent after the case, moderate sanctions are a good solution rather than strict and rare.

Ethics and consumers are in relationship with marketing policy, quality and safety products.

At level of individual consumer, critics are regarding disinformation and cheating, with the purpose to denigrate some companies and firms. At social level, the main concerns are regarding social and cultural impact unit of marketing communication.

Roll of ethical codes in organization management

Frequently, the levels of a managerial ethics apply are clear mention in codes ethics.

At the beginning, the codes were develop by professional groups as deontological rules and only after this it was seen an explosion of this into organization.

The ethic code is available only if all the members of organization respect it; when the manager doesn't give the proper attention to it, for sure even the employees won't respect it.

Ethics codes are the one who give status, norms and faith to the organization. This norms and believes are in general suggested, discussed and definite by the leading border and then published and distribute to the employers. Norms express the way in which the organization members must act in a given situation.

So, through ethical codes, the border tries to encourage that way of thinking and attitude who lead to the wanted conduct.

The importance of ethic codes of organization is given by the:

- A biggest involvement and loyalty coming from the employers and superiors;
- A most stricter selection and promoting the personal, in what regards the values of firm;

- A biggest trust and cooperation, from the moment that team work is in them interest.

Objectives of a behavior code

Regarding the objectives of one code, it is a behavioral agreement that through ethics they try to promote professional values. In addition to this desideratum, Samuel Mercier remarks also other objectives like:

- Ending a moral contract between beneficiary and organizations, and with the members of that organization, too;
- Protect the organization from the unfair acts;
- Promote a positive image of the organization;
- Offer a way of establish the members devotion;
- Show a conduct of employment of the managers;
- Make agreements based on trust and responsibilities;
- Guide behavior in case of some ethical dilemmas.

If we would make a hierarchical system of the importance of ethical standards we could say that the most elementary rules that must be respected by the organization are tie to clients and employers.

In what concern the client, a negotiation must start from the idea that both parts have power of discernment, that they could see the risks, that they are responsible and with good intentions. In what concern employees, we must remember that people often are like a work force and a purpose. Relationships between employees and employers on ethic bases are necessary for existence of the most active values of work process –human resources. Generally speaking, with moral ethic operate are, after Professor Marian Liviu, society, groups of benefit, internal and personal problems.

Even if the importance of code ethic increases, very few companies are counting ethics considerations in their programs of managerial development, very few are firms who establish ethical and social responsibilities at Directory Council or at every other level of the organizations.

The existence of an ethical code of organization isn't a guaranty that the employees will act proper, but could reflect a certain level of culture organization.

Some codes are only a policy for some organizations, trying to give a ton for some employee's ethical conduct. Some others are making rules for establish a proper conduct into business meetings and establish the procedures for a normal act.

Nobody can say exactly which cod is more efficient and even if a certain code guaranty a proper conduct of employers. It seems that a general rule is that this ethic codes to be more simply; how much more complicate there are so could have a negative effect.

Whoever are the ethical opinions about an efficient ethic code, he must have the following properties:

- Codes must be strict. The code must establish clearly which elements are ideals and which are obligations;
- Codes mustn't be used in one's interest. Codes wouldn't be used to serve interests against public interest;
- Codes must protect public interest and of the pupil who serve this ethical codes;
- Codes must be honest and specific.

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