

## ETHICS AND INDIVIDUAL BEHAVIOUR

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**Abstract:** The author stresses the importance of the fact that people who intend to work for different companies have to be aware of the company value system which they have to comply with. Unfortunately, some of these values may not be congruent with the employee's personal moral beliefs and ethics and this fact can create real problems to companies. The article discusses some of the factors that might influence individual behaviour in an organization and suggests that a way of avoiding these kinds of problems is to provide adequate training in applied ethics for both employers and employees.

**Key words:** company value system, ethics, behaviour.

### 1. Introduction

Multiculturalism in the work force is increasing, and more and more people want to work for different international companies. But not all of them are aware that there might be different ethical standards or significantly different interests. Not all of them are aware that they have to comply with a company value system which might be different from the one they are used to.

It is a well known fact that when two or more countries interact, people often find that their ethics and understanding of social responsibility differ. More than this, some of these values may be incompatible with their personal moral belief and ethics (Francesco and Gold 2005: 52).

Ethics is generally seen as a product of a society culture which the members of a culture follow unconditionally and take it for granted, as they usually understand and follow the social requirements. Their choices reflect their decisions. Some anthropologists (Geertz 1973:51) define culture as "systems of shared meaning and understanding".

In business the situation is totally different since one of the biggest mistakes is to assume that ethical rules can be generally applied.

### 2. Business ethics vs. individual behaviour

In the world of business, the phrase 'business ethics' is generally used to describe the actions of individuals within an organization, as well as the organization as a whole. Most of the experts agree that business ethics consists of written and unwritten codes of principles and values that govern decisions and actions within a company.

Business ethics, also known as corporate ethics, is considered to be the application of ethical values to business behaviour and is applied to any aspects of

business conduct. It is about how a company does its business, about how it behaves intrinsically. If we have a look at the sites of different companies, we can easily notice that more and more companies are formulating their own ethical and social responsibility policies. Companies have come to realize that they have to publicize ethical actions and their politics. The general rule is that they work only with partners that follow workplace standards and business practices and are consistent with the company values.

Unfortunately the general public cannot find very easy examples of companies which comply with business ethics. It is rather easy to find examples of unethical business behaviour as ethical breaches have become front-page news.

According to Collier and Esteban (2007) employee attitudes and behaviours will be affected by organisational culture and climate. Motivation and commitment will be affected, among others, by the extent to which they can align personal identity and image with that of the organisation.

The danger of a potential conflict between an individual and a company is pointed out by Francesco and Gold (2005:48), who consider ethics as: "moral standards, not governed by law which can be in conflict with the interest of employee or even with the interest of the company".

The relationship between ethics and legality cannot be denied. Still an important distinction has to be made, while ethics are complied with voluntarily the compliance with the law is often involuntary. In effect, when a company breaks a law, it is of no consequence unless detected and then enforced.

Unfortunately, we have a lot of examples in history when legal was not always synonymous with ethical. However the fact that is not illegal is not an excuse for failing to accept personal responsibility for one's ethical decisions.

Another factor that can influence the behaviour of an employee is the personal responsibility for one's ethical choices. This is one of the reasons for which the number of the companies which require their employees to attend different seminars on business conduct is increasing. The employers want to be sure that their employees know and abide the company's rules of conduct.

According to Christians, Rotzell, & Fackler (1995: 51), intentionality is at the heart of lying and when realities are intentionally misrepresented the intention of deceiving is deliberate and it can be considered an ethical problem; whereas the unintentional misrepresentations of facts are considered to be intellectual failings, not moral ones. Besides this truth can have two components: accuracy and completeness. In answering a question about a certain issue a person might mention two things but omit a third. The reply is accurate but incomplete.

Adequate training for CEOs and subsidiary managers around the world make them aware that function to certain ethical principles they can get a statement that can "be completely true, but not truly complete". Adequate training for employees makes them aware that everybody has to accept personal responsibility for one's own actions.

A rather recent factor that can influence the behaviour of an employee is social responsibility. Large organizations often use corporate governance to promote business ethics and social responsibility. An employee's behaviour is influenced by the way in which the company he is working for tries to provide benefits to local communities and does something to increase the living standards of the local people.

Ethics and social responsibility are major concerns in the global economy. People have to follow the body of obligations that the society they belong to requires for its members.

### **3. Dangers of unethical behaviour**

With the development of the international collaboration, multicultural corporations have to face new challenges due to dissimilar cultural assumptions, social norms and societal values. Differences in culture can create conflicts that pose moral issues and can raise serious ethical dilemmas.

Besides this, there are cases when there is a discrepancy between the company's code of ethics and the company's actual practices which can lead to a lack of commitment. Both employers and employees have to be aware that inappropriate conduct may have serious consequences both socially and legally. Both have to be trained adequately in applied ethics, but it is up to the employers to consider ways of scientifically study organizational ethics.

### **4. Conclusions**

Due the increase of multiculturalism in the work force, in order to avoid conflicts, both employers and employees have to be aware of the existence of different ethical standards. Rather than imposing their own standards (Schneider and Barsoux 2003:301) employers and employees should try to find ways of using the differences in cultures in order to become global citizens. Managers need to evaluate the extent to which national culture can interfere with their company's policy.

In conclusion we can say that working for a multinational company implies among other things: a change in behaviour, knowledge of the company ethical standards and policy, and awareness of personal and social responsibilities.

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