

# Ethical Issues in Modern Business Management

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**Abstract:** *The ethical concerns in corporate management have always coexisted, but in the current digital era, their nature and scope have changed. The expansion of difficulties and complaints shows how the globalization and digitization of business have changed not just the ethical challenges but also their importance. Business management is growing increasingly difficult in the twenty-first century, and at the same time, many ethical problems are emerging.*

**Keywords:** Corporate management, coexisted, digital era, ethical problem

## I. INTRODUCTION

Due to advances in inventions, technologies, software assistance, computer techniques, and the arrival of the internet and digital media, business administration has been made easier in recent years, but it has also become more challenging. The type of management that existed a few decades ago does not exist today. The majority of business management tasks are now carried out online with the aid of the internet and digitised devices. This modernization includes business management approaches, procedures, activities, sales promotions and marketing, procurement, communication, accounting, and consultation. Businesses, corporations, and small and medium-sized businesses have gone global and are treating the entire world as one village. One-stop shops that are accessible around-the-clock are provided via company websites. With the use of instantly accessible websites that provide questions and answers, customer contact and support centres have been automated. Using the right software, a company's accounts, revenues, and profits are updated quickly. Sales, purchases, and payments made online currently predominate. Currently, the periodic reports are created automatically. All employee bio data, including their progress, performance, rewards, and warnings/punishments, are readily accessible on a computer and may be accessed in a matter of seconds. No matter where they are sitting, owners and managers can view corporate matters with just one click. There are numerous problems, mostly ethical in nature, along with all these amenities, conveniences, and quick work. In addition to all of the recent advancements in company management, ethical concerns have become stronger and taken on new shapes and characteristics. In addition to all of the recent advancements in company management, ethical concerns have become stronger and taken on new shapes and characteristics. One of the major and heated topics is corporate responsibility, ethics, and accountability (Bernstein, 2016). The organization's ethical climate cannot be deemed excellent

### What are business ethics and their importance?

What are corporate ethics, and how important are they? "Business Ethics is the set of moral standards that regulate how firms run, how business choices are made, and how people are treated," the Business-ethics Dictionary (2017) states. Company ethics are "the study of proper business rules and procedures involving potentially contentious problems, such as corporate governance, insider trading, bribery, discrimination, corporate social responsibility, and fiduciary responsibilities," according to the 2017 edition of Investopedia. Business ethics offer a fundamental foundation that organisations may choose to abide by in order to win the public's trust, although law frequently guides business ethics. Business ethics, according to the Chartered Institute of Management Accountants (CIMA, 2008), is "the application of ethical values to business behaviour." The foundation of business ethics is founded on honesty, trustworthiness, transparency, rules, and the preservation of the legal rights of all stakeholders. Studies on corporate ethics in the past have generally focused on following the law and regulations, but they have mostly ignored community and customer expectations and behaviour. It has also been more common to overlook the studies of decency, honesty, and integrity. Businesses must be aware that following business ethics is rewarded with more stakeholder confidence, increased

productivity, the retention of quality employees, the preservation of customer trust, improved efficiency, and increased compliance efforts (Institute for Global Ethics, 2017). In the twenty-first century, corporate ethics have become more universal and traverse international borders. Since laws and regulations have been promulgated by international organisations like the WTO, such violations are no longer permitted. Businesses must uphold moral standards if they want to exist.

#### **Different levels of ethical issues.**

Levels of moral concerns Business managers and senior management may encounter moral dilemmas at many levels of an individual, organisation, enterprise, society, nation, and world. Due to the growth of the digital world, social media, and internet, the global level has just recently been added (Enderlin, 2015). Smith (2017) has identified three levels: the macro level (pressures on the nation and society), the company level, and the individual level (all people relevant to specified business in any capacity). The operating environment of the firm is a component of the macro level, or systematic level. This could be an area, a region, or a nation. The policies and practises of the organization/business may be included in the company or corporate ethical level.

#### **Different types of ethical issues.**

Specific industries/businesses, communities, localities, countries, as well as the company's policies and management, all have different forms of ethical challenges. Even while not all ethical problems exist everywhere, some of them can be seen in the majority of situations. Kaur (2017) has outlined ethical difficulties such as legal responsibilities under current legislation, ensuring workplace safety, preventing child labour, controlling gender and Vcultural/Racial/Colour discrimination, bribery, cybercrimes, overbilling, privacy hazards, and revealing information on social networking. Various businesses and management can also be found engaging in fraud, misrepresentation, fraudulent reimbursements, etc. Different authors have divided the aforementioned problems into different groups. Oster (2017), for instance, divided difficulties into four categories: basic (trust, integrity, and treating customers fairly), diversity (hiring and managing company teams that are diverse in nationality, gender, culture, and colour), decision-making, and compliance and governance. His classification does not, however, cover ethical concerns in networking, banking, and accounting. Current ethical concerns were divided into five areas by Bernstein (2016): social networking, surveillance and privacy, transparency, child labour, and environmental protection. He disregarded both individual and personal difficulties as well as accounting and financial issues, which are currently quite sensitive. Florida Tech's (2017) division of ethical challenges into accounting, social media, harassment and discrimination, health and safety, and technology/privacy appears more rational. In every way, including practically all current ethical dilemmas, this grouping appears superior and more logical. As a result, these five groups will be used to further expound on ethical issues.

Ethical issue related to accounting and finance

Financial and accounting-related ethical concerns After posting all account information online, ethical concerns in accounting and finance significantly rose. Formerly referred to as "Cooking the Account Books," this issue with accounting ethics is now present in online statements, reports, purchases, and payments. Tax savings and giving shareholders the least amount of money possible are the main drivers. Kaur (2017) has highlighted unethical accounting practices such as dressing and deceptive financial analysis, account manipulation, bribery, financial fraud, overbilling of expenses and purchases, phoney reimbursements, executive remuneration, and a suggestion of lower revenues, among other things.

#### **Ethical Issues related to Social media**

Social media moral dilemmas According to a poll of 250 online interviews by the Institute of Business Ethics (IBE, 2011), 95% of employees use social media for both personal and professional purposes. Thus, it is exceedingly challenging to distinguish between personal and professional use. Ethical concerns are growing along with the popularity and growth of social networking and media websites like Facebook and Twitter. When employees of businesses use and use social media, many ethical problems can arise, including the disclosure of sensitive information, conflicts, and private information, as well as the potential use of child labour and workplace discrimination. This could

harm the credibility and reputation of the business. Social media usage while on the clock represents a waste of time and resources for the business.

#### **Harassment and wage discrimination:**

Discrimination and sex harassment The major ethical challenges of today include wage disparity, sexual harassment, and discrimination based on pregnancy, age, gender, race, colour, nationality, religion, and ethnicity. These are issues that both employers and

employees deal with on a daily basis in practically all businesses throughout the world. Discrimination and harassment are being observed and monitored at a global level by the International Labour Organization (ILO, 2017), yet in reality, these practises are still present in businesses and corporations. Despite “Equal opportunity” rules, these behaviours are widely visible. Along with discrimination and harassment, bullying was recognised by the Australian Human Rights Commission (2017). Bullying is “a verbal or physical assault to subtle psychological harassment,” according to this panel. Fall protection, hazard communication, scaffolding, respiratory protection, lockout/tag out, powered industrial trucks, ladders, electrical, and machine guarding were the top nine most often cited infractions in 2016

#### **Health and safety at workplace:**

Workplace safety and health Despite all the severe laws and regulations put in place by national and international government organisations like the ILO, workplace health and safety issues continue to worsen. A 2017 ILO research estimates that two million men and women lose their lives each year as a result of occupational diseases and accidents. Each year, there are over 270 million occupational accidents and 160 million diseases related to the workplace worldwide. Therefore, even the workers’ lives at work are in jeopardy. The top nine most often reported violations in 2016 were fall protection, hazard communication, scaffolding, respiratory protection, lockout/tag out, powered industrial trucks, ladders, electrical, and machine guarding, according to OSHA (Occupational Safety and Health Administration, USA, 2017).

#### **Technology/privacy**

The ability to watch, record, and monitor an employee’s movements, performance, presence at their desks, and working activities has been made available by cutting-edge technology (video cameras and networking). Managers and employers have access to everything they use, including their computers, communications, emails, and websites they visit. Although it is lawful for companies to go through employees’ work-related emails, electronic surveillance should not be used to spy on people. Employees are negatively affected psychologically as a result of being constantly aware that their movements are being watched by others. Monitoring employees through video cameras and recording their behaviour and movement can keep the workplace safe on the one hand.

Many ethical problems can be seen in various businesses and management, including legal responsibility, workplace safety, child labour, bribery, cybercrimes, overbilling, privacy risks and disclosures owing to social networking, frauds, fraudulent reimbursements, misleading, etc. (Kaur, 2017). After the creation and widespread use of social media, concerns about cyber ethics have significantly gotten stronger. Managers and management staff are always under pressure to act ethically by a variety of stakeholders, including owners, governmental organisations, employees, consumers, suppliers,

competitors, and other managers. Companies’ management’s honesty, integrity, and trustworthiness are constantly tested. The employees, organisations, trade, society, and the entire world are just a few of the ethical challenges that company managers may encounter. Managers, consumers, suppliers, employees, businesses, and governmental organisations may all experience ethical problems. Conflicts of interest, poor management of staff and individuals, multicultural and diverse makeup of work teams, inefficient communication, unethical behaviour on social media, workplace safety concerns, and failure to comply with legal obligations are all causes of ethical issues. Despite “Equal opportunity” rules, these behaviours are widely visible. All people have the right to be treated equally, according to Amnesty International (2017), regardless of their race, ethnicity, nationality, class, caste, religion, belief, sex, language, sexual orientation, gender identity, age, or other status.

## II. CONCLUSION

- The main thing is: Despite the fact that managers and firm management may encounter several ethical challenges at work, online, and with various stakeholders.
- The variety of the workforce and cross-cultural challenges in interdisciplinary teams are significant barriers to establishing an ethical culture within the organisation.
- Legal responsibility, following rules, worker safety, health, and environmental protection.
- Corporate personnel and management disclosing trade secrets and committing cyber crimes on social media.
- False financial and accounting statements, fraud, overcharging, bribes, phoney reimbursements, and overcharging, etc.
- Misuse, misappropriation, and negligent use of company resources.
- Workplace health and safety, longer workdays, child labour, racial and gender discrimination, and sexual harassment.
- False employee and project evaluations and performance reviews.

These problems are very important and continue to be obstacles in modern management that prevent entrepreneurs and projects from reaching their full potential for success and revenue generating.

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