

The Impact of Knowledge on Ethic Management

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Abstract

This research is concentrating on the use of ethic codes in our daily lives and in business. In this research data is collected on how ethical practices are given importance in business and how much it effects the success of a project. In this project the usage of ethical codes in companies or organizations in Kurdistan Region is taken into consideration, this research contains the ethical behavior of each individual whether it is the manager, employee, or customer.

This research also demonstrates the importance of ethics in Kurdistan Region according to the data collected from the questionnaires distributed in different companies or organizations, and showing the ethical level of our nation. The type of the questionnaire is quantitative method, so the research type is the quantitative method, and the questionnaires were calculated by using Microsoft Excel.

Key Words: Effects of Ethics, Ethic Codes, Kurdistan Region.

1. Introduction

The purpose of this article is to suggest why ethics is important in management, and why we need ethics in managing work or projects, and to answer questions to help develop the moral level in Kurdistan region.

This research contains the importance of ethics in management especially and ethics in our daily life in general, the definition of ethics, the important purposes for ethics, and ethics influence on decision making and managing.

Ethical Management: it means with a positive, subjective attitude; observation of corporate ethics; carrying on all economical, legal responsibilities as corporation; recognizing personal responsibilities as corporation obligations; and first taking ethical aspect into consideration when pursuit of personal gains corporate ethics.

The study of ethics in management can be approached from many different directions. The movement to include the study of ethics as a critical part of management education begin in 1970s and it grew in the 1980s, it is expected to grow more in the twenty first century.

Business definition of ethics: The capacity to reflect on values in corporate decisions making process, to see how the values and choices affect many stakeholder groups, and to make sure how the manager can use the observations in day to day management.

Ethics: is the principle of rights and wrongs that a person, acting as a free moral agent, use to make choices to guide their behaviors.

Ethics in management is more important for the developed countries (Europeans, Americans..etc), because in Kurdistan ethics aren't considered so much for example labor feelings aren't considered so much, We can't say that labors aren't important and they don't care about them at all in Kurdistan because in some places labors are important and are considered an important part in the community such as (Charity Foundation, UN, Red cross, Hospitals,) but for the more developing countries it's the opposite.

It's true that when you work your goal is to gain money, but that doesn't mean you should ignore ethics in work, such as; it is not accepted according to ethics to take bribes to get the job done, or give bribes or ignore people's feelings, cheating in work is also unethical to do, that means in work we should always consider ethics first, for example; if someone has a funeral or an emergency we should give them time off work to consider their feeling, that is work ethics, not working according to ethics might collapse the company or cause to fault monthly and annually reports of the company, for example if you cheat in the work or take- -bribes this will change the monthly and annually reports incomes and this might cause bad effects on the company.

Racism is also against ethics, for example you can't not accept a person just because they are from a different country or because they have a different color or if they are not relatives to you, this is all against ethics, according to ethics every person who is qualified to work should be accepted in the company to work regardless of their color, religion and personality.

Ethics is the most important part in management for example, the managers should be friendly with the staff with some limits, the manager should consider every employees feelings and personal issues, in instance they should have weekly meeting to discuss the individuals problems in every aspect of the work and try their best to solve them for the company or projects profit and success, the managers should act as leaders and not be dominant on the employees for the benefit of the company and project.

2. Literature review:

“Webster’s New International Dictionary, 1976”: Business ethics is the discipline dealing with what is good and what is bad and right and wrong things or with moral duty and obligations to morals. ^[2]

“Akers”: Recently said that it makes good business sense for managers to be ethical. Unless they are ethical, he believes, companies cannot be competitive in either national or international markets. ^[3]

“Schminke, 2007”: Creation and enforcement of procedural frameworks for regulating business behavior, and creation of codes of ethics and training programs, aimed at increasing moral awareness among employees of the organization are insufficient. ^[4]

“DeGeorge 1982”: Ethics is the study of morality and argues that: Morality is a term used to cover those practices and activities that are considered importantly right and wrong, the rules which govern those activities, and the values that are imbedded, fostered, or pursued by those activities and practices. The morality of a society is related to its mores or the customs accepted by a society or group as being the right and wrong ways to act, as well as to the laws of a society which add legal prohibitions and sanctions to many activities considered to be immoral. ^[1]

“Hartman 1996”: corporate culture is important to business ethics because it is a vehicle for imparting and maintaining the moral principles and the values, good and bad, that animate life in the organization. ^[4]

“Knights & O’Leary, 2006; Meyers, 2004”: Ethics in organizations is not a result of individual virtue alone, but a function of both individual virtue and contextual factors. ^[5]

“Trevino (1990)”: business organizations possessing ethical cultures should be creating and maintaining a shared pattern of values, customs, practices and expectations which dominate normative behavior in the organization. ^[5]

“Barnard (1938)”: The creation of a moral framework is one of the main functions of an executive. ^[5]

“Aronson (2001)”: Ethical behavior on the part of the leader would appear to be a necessary condition for the establishment of an ethical organization... CEOs are obliged to set a moral example for organizational members. ^[5]

“Gardiner, 1993” Defining Corruption.: If an official’s act is prohibited by laws established by the government, it is corrupt; if it is not prohibited, it is not corrupt even if it is abusive or unethical. ^[6]

” D. Kaufmann, 2006”: Legislating for behavior warrants focus upon the legality of an action and not the morality of that same action. Morality is increasingly being legislated for in the absence of and a loss of faith in self-regulated behavior. Although an act is committed within legal parameters it may lie outside moral boundaries. A corrupt act can be camouflaged by lawful justification. For example, ‘undue emphasis on narrow legalism has obscured subtler yet costly manifestations of misgoverned’ where “legal corruption” may be more prevalent than illegal forms. ^[6]

3. Research Problem:

Ethical behavior and standards is one of the most important principles of life, in this research I as the researcher thought it is a good issue to be discussed in our country, because I though ethics and morality aren't given the importance they should have been given in Kurdistan Region.

4. Research Objective:

- Business and management ethics:

Our concern for good behavior. We feel an obligation to consider own personal good behavior and also wellbeing of other human beings.

Benefits of ethical management in business;

-Productivity.

-Stakeholder relation.

-Government Regulation.

- Islamic business ethics:

The concept of Islamic ethical system is almost constant which are derive according to Quran, Islamic teachings are usually based on Shariaa which can be described as Islamic laws.

Halal regulations are also a concern in the Islamic business ethics, whether a product is halal or not is an important factor in Muslim's decision, or whether the actions and tasks you are asked to do are halal or not.

- Ethics codes:

Code of ethics consists of these sections: Introduction, preamble, general principals, professional principles, and ethical standards.

Ethical standards: which are enforceable standers of conduct applying to members in official works, the ethical standards consist of: Human relations, Privacy and confidentiality, public statements, research and publication, ascribing to the code of ethics.

- Corruption:

The wrongdoing on the part of an authority, powerful party or person through means that are illegitimate, immoral, or incompatible with ethical standards.

Corruption often results from patronage and is associated with bribery.

5. Research Methodology:

I as the researcher, used questionnaires in order to collect the data needed for the impact of knowledge on ethic management, the questionnaires consist of two sections, the first section is general information about the participant for instance; position, gender, company/organization type, salary, gender...etc. And the second section is the questions asked in the questionnaires, as 100 questionnaires were distributed and data were collected from them.

Data collection is the most important point of the research and it can affect the entire research, the data collected is based on the participants own believes and personal opinions.

In data collections I faced many problems with both the companies/organizations rejecting to fill the questionnaires or not allowing us to enter their company/organization, also we faced problems with participants not answering all the question or not taking the questionnaire seriously.

Despite everything I faced I was able to gather the information for 58 people in 3 companies/organizations.

6. Data Analysis:

In this study two different tables statistically conducted with the research will be demonstrating the answers I got from the participants.

Table 1: Demographical Data

<i>Parameter</i>		<i>Frequency</i>	<i>Percent</i>
Gender	<i>Male</i>	29	50
	<i>Female</i>	29	50
Age	<i>Below 30</i>	38	65
	<i>30 Years -39 Years</i>	15	26
	<i>40 Years - 49 Years</i>	5	9
	<i>50 Yearrs- 59 Years</i>	0	0
	<i>Above 50 Years</i>	0	0
Type of Organization/Company	<i>Private</i>	47	47.81
	<i>Public</i>	11	11.19
Education Level	<i>Bachelor Degree</i>	43	74
	<i>Post Graduate</i>	10	17
	<i>High School</i>	2	4
	<i>Other</i>	3	5
Salary Income/ Month	<i>\$ 500- \$1000</i>	14	24
	<i>\$ 1000 - \$1500</i>	23	40
	<i>\$ 1500 - \$2000</i>	11	19

	<i>More Than \$2000</i>	<i>10</i>	<i>17</i>
Size of Organization/Company	<i>Below 100 Employees</i>	<i>11</i>	<i>19</i>
	<i>100-500 Employees</i>	<i>31</i>	<i>53</i>
	<i>More than 500 Employees</i>	<i>16</i>	<i>28</i>
Experience	<i>Up to 5 Years</i>	<i>39</i>	<i>67</i>
	<i>6 - 10 Years</i>	<i>10</i>	<i>17</i>
	<i>11 - 15 Years</i>	<i>8</i>	<i>14</i>
	<i>Above 15 Years</i>	<i>1</i>	<i>2</i>
Ethical Course Taken?	<i>Yes</i>	<i>21</i>	<i>36</i>
	<i>No</i>	<i>37</i>	<i>64</i>
<i>Total</i>		<i>58</i>	<i>100</i>

The table-1- above presents the demographical variable where 8 variables were taken for the study, and they are explained with frequency and percentage.

Figure 1: Demographical Data Chart

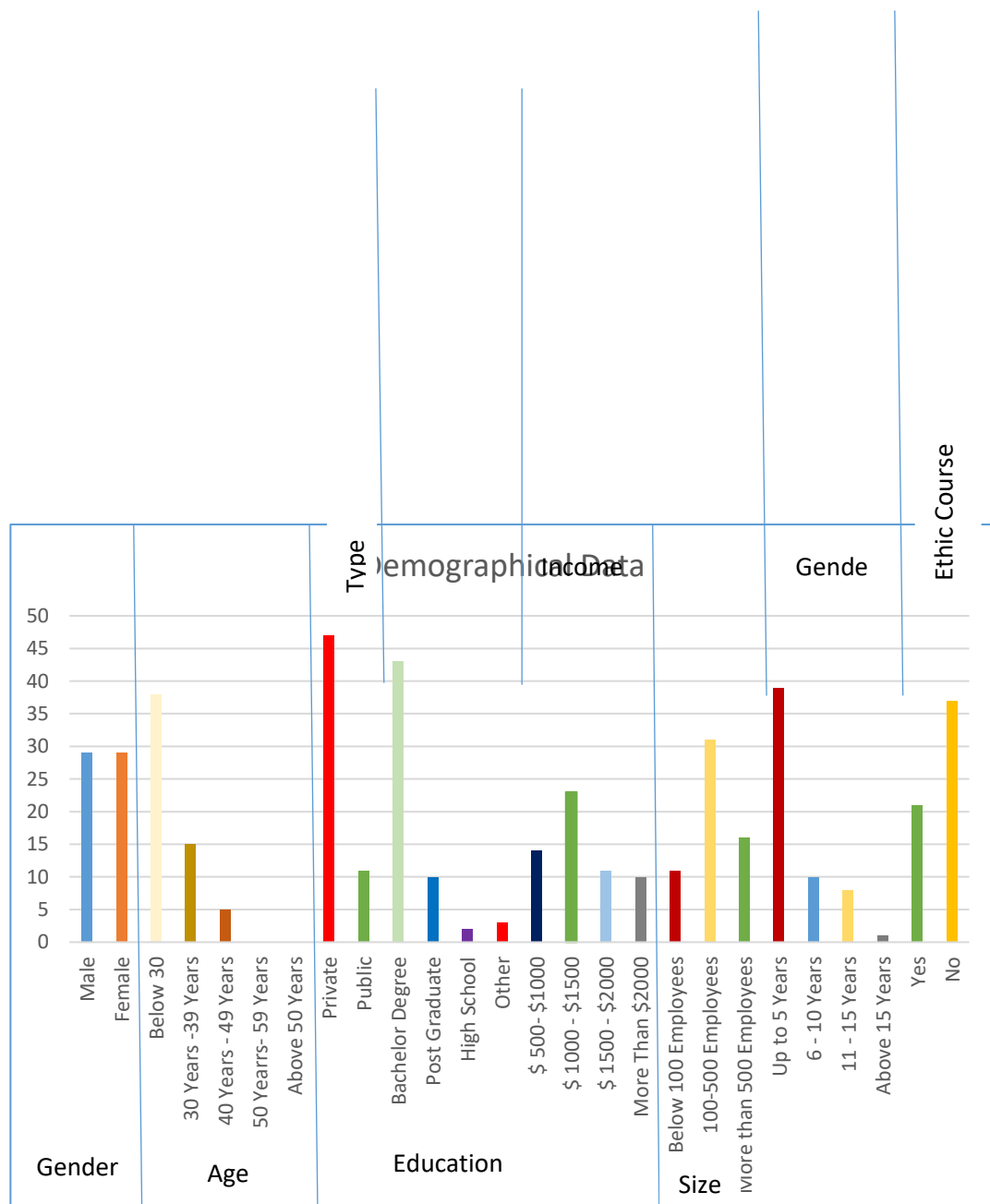


Table 2: Questionnaire Data

Parameter		Frequency	Percent
1- The ethics of business are different from the ethics of personal life.	Strongly Disagree	4	4.7
	Disagree	10	10.17
	Neutral	16	16.28
	Agree	21	21.36
	Strongly Agree	7	7.12
2- In business, sometimes in order to achieve desired targets one needs to be unethical.	Strongly Disagree	15	26
	Disagree	20	34

	Neutral	16	28
	Agree	7	12
	Strongly Agree	0	0
3- Sound ethics is good business in the long run.	Strongly Disagree	2	4
	Disagree	1	2
	Neutral	13	22
	Agree	32	55
	Strongly Agree	10	17
4- In making choices, if you were unsure of what was right or wrong in a situation, you should refer to the ethical standers.	Strongly Disagree	1	2
	Disagree	6	10
	Neutral	12	21
	Agree	33	57
	Strongly Agree	6	10
5- Conflicts between organization/Company interest and personal ethics are likely.	Strongly Disagree	3	5
	Disagree	15	26
	Neutral	21	36
	Agree	18	31
	Strongly Agree	1	2
6- Calling in sick when some personal time (e.g. play golf or take in a movie) is acceptable.	Strongly Disagree	13	22
	Disagree	30	52
	Neutral	6	10
	Agree	7	12
	Strongly Agree	2	4
7- Using a company/organization telephone, fax, or computer for personal business is acceptable.	Strongly Disagree	15	26
	Disagree	29	50
	Neutral	6	10
	Agree	7	12
	Strongly Agree	1	2
8- Using a company/organization car to make a personal trip is acceptable.	Strongly Disagree	25	43
	Disagree	25	43
	Neutral	3	5
	Agree	4	7
	Strongly Agree	1	2
9- It is all right to exaggerate the performance of a service in order to achieve higher sales.	Strongly Disagree	4	7
	Disagree	19	33
	Neutral	19	33
	Agree	13	22
	Strongly Agree	3	5
10- It is alright to give gifts to customers, to get business.	Strongly Disagree	10	10.17
	Disagree	21	21.36
	Neutral	13	13.23
	Agree	11	11.19

	Strongly Agree	3	3.5
11- It is alright to indulge in poaching talented employees from other organizations/Company.	Strongly Disagree	6	10
	Disagree	25	43
	Neutral	13	23
	Agree	10	17
	Strongly Agree	4	7
12- Ethical practices are given importance in organizations/Companies in Kurdistan.	Strongly Disagree	7	12
	Disagree	17	29
	Neutral	17	29
	Agree	16	28
	Strongly Agree	1	2
13- Recognition and attention to the issue of ethics in the organizations/company is important.	Strongly Disagree	1	2
	Disagree	3	5
	Neutral	9	15
	Agree	29	50
	Strongly Agree	16	28
14- Ethical issues have been discussed in employee meetings.	Strongly Disagree	4	7
	Disagree	8	14
	Neutral	17	29
	Agree	28	48
	Strongly Agree	1	2
15- Your organization/company behaves on a written ethics policy.	Strongly Disagree	0	0
	Disagree	6	11
	Neutral	6	10
	Agree	36	62
	Strongly Agree	10	17
16- Ethical behaviors are rewarded in your organization/company.	Strongly Disagree	3	5
	Disagree	7	12
	Neutral	23	40
	Agree	20	34
	Strongly Agree	5	9
17- The leaders in your organization/company act ethically.	Strongly Disagree	2	3
	Disagree	7	12
	Neutral	15	26
	Agree	27	47
	Strongly Agree	7	12
18- One's personal financial needs influence unethical decisions of employees.	Strongly Disagree	4	7
	Disagree	12	21
	Neutral	27	47
	Agree	13	22
	Strongly Agree	2	3
	Strongly Disagree	3	5

19- Unfairness to employees, prejudice in hiring should be eliminated.	Disagree	0	0
	Neutral	13	23
	Agree	29	50
	Strongly Agree	13	22
20- Honesty should be important while sharing information with others.	Strongly Disagree	2	3
	Disagree	3	5
	Neutral	9	16
	Agree	17	29
	Strongly Agree	27	47
21- Favoritism shouldn't enter into decision making.	Strongly Disagree	5	9
	Disagree	6	10
	Neutral	6	10
	Agree	22	38
	Strongly Agree	19	33
22- Orders should be followed regardless if they appear unethical?	Strongly Disagree	9	16
	Disagree	18	31
	Neutral	17	29
	Agree	10	17
	Strongly Agree	4	7
Total		58	100

Table-2- above shows all 22 questions in the questionnaire distributed, represented as both frequencies for 58 samples and percentage of %100.

7. Conclusion

In conclusion I would like to concentrate on the points with the most impact on the ethical standards in Kurdistan Region, one of the most important points is the difference between business ethics and personal ethics there is a difference of only %13.61 between participants that agree and those that disagree, from that we conclude that there is only a thin line between personal and business ethics.

Another important point to be discussed is the sound ethics being good business on the long run, gladly with a high percentage of %72 agree that sound ethics is good business, the participants that agree take the lead with a significant difference of %66, from this we can conclude that companies/organizations in Kurdistan Region are concentrating on sound ethics and they are making it a priority, the results of the employees and managers participating in the questionnaires proves my conclusion, this will lead to good communication between all the employees, managers, supervisors, officers and even company owners.

Ethical practices are another important point in the questionnaire, from the results obtained we can conclude that most of the participants disagree that ethical practices are given importance in our country,

so the ethical level of employees in our country are not as expected and they should be improved to obtain a better communication between the employees, leaders and customers.

Overall we come to a conclusion that despite my expectations for the ethical issues in Kurdistan Region, I was able to obtain positive outcomes for the questionnaire, so I can say that companies/organizations in Kurdistan Region are gladly working according to some ethical standards which has a positive impact on the way people are treated, and getting strong ethical and moral communication and relationship between all the employees, leaders, owners and even customers.

8. Recommendation

- Ethical practices have a great importance and impact especially in companies/organizations, according to the data collected the ethical practices in Kurdistan Region are not taken seriously or given the importance they deserve. I would recommend this issue to be raised and discussed so that employees and owners would work and act upon the ethical practices.
- Ethical issues should be discussed on a regular basis, in Kurdistan Region ethical issues are not discussed as often as they should be discussed in weekly and monthly employee meetings, with only %50 of the participants agreeing that they are discussed in the weekly meetings, which is a small percentage regarding the size of this point. I would recommend that ethical issues should be discussed in every company, organization, institute on a weekly basis so that the awareness of people to these issues rises.
- Prejudice in hiring people is becoming a trend in Kurdistan Region, according to the results from the questionnaires %72 out of the 58 participants agree that it should be stopped and people should not be judged before hiring them according to their skin color, religion, financial status, and their personal behaviors. I would recommend for the related parties in hiring employees to change their method of hiring people and do so according to the ethical standards and codes, for instance; applicants should be given a trial or given a task to complete before hiring them and accept them or deny them accordingly to their work not their religion and skin color.

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