

ETHICAL AND MORAL DUTY AND RESPONSIBILITY IN BUSINESS

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***Abstract:** Every business relationship has a significant impact on the level of fear and trust in people around the world. Behavior at work can affect the relationship between the nation and the prosperity and well-being of all of us. Business is often the first contact between business leaders and nations. With the development of science and technology, introducing new methods and moral responsibility in business relationships. Along with the great social and structural changes - political, economic, technological, social and cultural - amended are also the moral values of society. It is no longer a question of what man can and will do, but of what he should, must and must not do. This paper reflects on the subjects and objects of the crisis of morality and responsible conduct in business. We examine the ethical and moral principles analyze the social responsibility and duty and their connection without which it is not possible to build good business relations and sustainable development.*

***Keywords:** business responsibility, moral duty, ethical principles, leaders and managers.*

1. INTRODUCTION

Day in, day out we are witnessing that moral norms are not equal in all destinations and business systems. Morality as a set of rules in practice is an active man's design and evaluation of human actions right or wrong. Unlike morality, ethics discovers, identifies, systematize, states and criticizes the actions of individuals or groups. It defines them as right or wrong, morally acceptable or unacceptable.

Social and technological development has led to questions of human existence on Earth, although almost all modern laws and other legal sources in most states guarantee freedom and equality of people. We are witnesses to the coming crisis: family and kinship relations, business relations, the relationship of man - man; man - a community or society; man - nature (flora and fauna). Man thinks he is becoming god? Every day more and more we encounter extremely dangerous phenomena of today - dehumanization of society and refusal to take into consideration general human, as well as moral and ethical values.

Social stratification and the growing gap between rich and poor is reflected in the knowledge that the disappearing middle class. Almost 20% of the population has 80% of global

wealth. There is still a large percentage of illiteracy, unemployment, indebtedness, migration and poor citizens. The relative poverty line is variable, since it used to be a luxury (phone, ...), has not. Absolutely poor are those individuals whose income or earnings are not sufficient in a given time period (month, year) to meet the minimum needs (food, clothing, housing). Social stratification contributes significantly to the unethical and irresponsible behavior of all the structures of society, and particularly of managers and entrepreneurs.

Increasingly we are witnessing that most businesses today are taking robots and automated machines that do not have the awareness, attention, emotions and intellect that man possesses. New technologies, especially the Internet, enabling a broad awareness of employees, customers and other stakeholders, which further binds every citizen to managers and continuous professional development and innovation of knowledge. But only knowledge without conscience is immoral and irresponsible behavior of managers, and thus a threat to the environment and sustainable development. Conscience of a manager is useless without knowledge. Therefore, the basic conditions and criteria for the operation, sustainable development and competitiveness becomes knowledge and morally responsible behavior by all stakeholders in the enterprise.

2. SUBJECT AND OBJECTS OF MORALITY CRISIS AND BUSINESS RESPONSIBILITY

A large number of authors and research negates the beliefs of those who claim to be ethical business and business are excluded. [1] Many authors and entrepreneurs stand to promote business ethics, business and every business man ensures operational excellence. Author Borna Bebek points out that business ethics is 'a hybrid that combines financial success and moral dimension to business with a view to obtaining benefits for himself and others in a way that jobs conceptualize, negotiate, negotiate and perform in simultaneous harmony with the spiritual, social, biological and natural the laws of man and his environment'. [2]

Authors Gordon and Trevino define business ethics as a set of moral rules and values that influence and direct the behavior of individuals and groups in relation to something that is good or bad in the management and decision-making. [3] Crane and Matten believe that business ethics deals with business situations, activities and decision-making processes from the perspective of right and wrong. [4] Ashton and Orme add that being ethical means to take action that will ensure responsible behavior among individuals and groups, and the application of rules and ethical principles in everyday business situations. [5]

The authors of *Funky Business*, Nordstrom and Ridderstrale, state that ethics must be present in all the stakeholders in the enterprise and must be applied everywhere and constantly. One can not be partly ethical or ethical only when it suits him. Ethics is a very competitive tool that we can use to attract new employees and customers. [6]

Business responsibility as a concept originated in legal science - as a responsibility to the charges before the court. The ratio court - the individual is not hierarchical but reciprocal. From the Roman law concept of responsibility moved to the religion. Here we have a responsibility before God. From religion the concept spread to the philosophy and ethics. The elements of the concept of responsibility are:

1. entity - the perpetrator, he is responsible for his (lack of) work (ing); He must be able to (mentally; sane) at his actions and know the consequences. He must be

responsible for the action. Often, however, the subject is in the so-called. border situations and dilemmas. The subject can not be held responsible for something that is not their area of operation, over which it has no power.

2. object - the offense committed as a result of the action.
3. instance or institution to whom we are accountable (God, the court, the nature of the public).
4. facts and the criteria upon which one can get sued - applicable laws or unwritten rules (customs).

Today we live in a global world, which presents us with many challenges. [7] The foundations of ethics are in a serious crisis. The crisis had to occur at all levels and in all structures of society, so we are talking about a crisis of general, professional and business ethics. Kant's philosophical questions What should I know? What should I do? What may I hope? try to answer the philosophical question of what is a man as a moral being. [8] All these questions, in our opinion, shape the business ethic in which we have the following subjects: individuals, legal persons, processes and work environment.

1. Individual as an individual entity is the subject of ethics because his identity stems from relationships with other people. He is guided by the power of faith, the power of reason, ethics and social teaching of the church and its understanding of a man who realizes benefits in such a way that they do not hurt his neighbors, nor do they harm others, and he should always behave morally. [9]
2. Legal person or company or institution, is also the subject of ethics. Legal persons are engaged in permitted activities which offer market products and services under certain pre-agreed conditions. Legal entity in it is operations implement ethical standards and responds to employees, shareholders, customers, suppliers, and their natural and social environment as a whole.
3. Corporate culture and work processes as the subjects of ethics consist of individuals, objects, tools and working conditions and the procedures and operations which are regulated by various laws and internal regulations. Each employee separately and all the staff together bear the professional moral responsibility for achieving the goals and purposes of the legal person. It is, therefore, a process of team ethics as the sum of personal and collective goals and missions within a particular business.
4. Environment as the subject of ethics makes nature, then regional and local governments, and all individuals, legal persons and their work processes, and other entities that are accountable to the community as a whole. Likewise, society as such is morally responsible to natural or legal person.

All four designated entities form business ethics and are responsible both individually and collectively to the society as a whole.

3. GENERAL MORAL PRINCIPLES OF MANAGING BUSINESS SYSTEMS

The economic theory of morality or 'moral capitalism' is represented by Stephen Yung and his followers who emphasize the use of mediation and private interests for the common good. [10] Without trust, the market will not survive. The free market is developing moral behavior between buyers, sellers and manufacturers. In this development exists

‘morality’ as the sum of the technical rules that govern the action of a business entity and a moralistic rhetoric that conceals business entity that excludes moral of the business. [11] Where cheating is prevalent, mistrust and broken promises, the market is shrinking and reduces the exchange of goods. ‘Only retailers who gain a reputation of fair dealing may increase their customer base. Only they can borrow money or to trade in goods under various conditions. Immoral and irresponsible people will eventually be forced out of the market because people do not accept their irresponsible behavior.’ [10], leading to the development of society and moral principles. General commercial and moral principles are:

- freedom,
- rule of Law,
- competitiveness,
- reliable institutional framework,
- respect for national identity.

General principles of entrepreneurship based on competitiveness, the rule of law, respect for human rights. In the modern concept of a market economy managers and entrepreneurs should:

- respect the national identity, freedom and the rule of law
- apply ideas and innovation in business
- standardize and improve their product and behavior
- shape the processes and tools for change
- innovate knowledge of its employees
- adapt activity to global changes
- increase the quality of their products
- explore and create new markets
- achieve business excellence.

Business systems play an important role in improving the lives of all its customers, employees and stakeholders by sharing with them the wealth they have created. Suppliers and other stakeholders also expect the business system compliance with their obligations in a spirit of honesty and fairness. As responsible citizens of the local, national, regional and global communities in which we operate, operating systems play an important role in shaping the future of these communities. In addition to the general principles of business relations leaders and managers are responsible for the implementation of various norms, legal sources and political criteria. Political, business and legal criteria in the European Union are:

1. Political criteria (Copenhagen Criteria): democracy, rule of Law, respect for human rights, respect for minority rights, acceptance of the policy objectives of the EU;
2. Business criteria (Copenhagen Criteria): the existence of effective market economy, the ability of market factors to cope with competitive pressure and market forces within the EU;
3. Legal criteria (Copenhagen Criteria): adoption of the entire acquis of the Union;
4. Administrative criteria (Madrid criteria): strengthening administrative capacity, efficient state administration.

In addition to the political, entrepreneurial and legal criteria Caux Round Table members point out that it is important first to edit their own home and try to determine what is right, not who is right. Organization Caux Round Table believes that the world business commu-

nity should play an important role in improving economic and social conditions. [12] The organization of the sums of the UN in Copenhagen in 1994. was presented by the International Code of good practice in which moral principles rooted in two basic ethical ideals:

- human dignity refers to the sacredness or value of each person as an end and not merely as a means to fulfill the intentions of others, and not what they prescribe most.
- to live and work for the common good, enabling the coexistence of cooperation and mutual prosperity through a healthy and fair game.

In the realization of these values and ethical ideals of business systems in their daily work apply the following ethical principles:

1. The principle of business and social impact of companies: Companies that are established in order to build, manufacture or sell should also contribute to social progress by creating manufacturing jobs and helping to strengthen the purchasing power of their citizens. Each operating system should contribute to human rights, education, welfare and reviving the environment and the country in which they operate. Operating system should also contribute to the economic and social development not only of the countries in which they operate, but also in the world community at large, through effective and prudent use of resources, free and fair competition with an emphasis on reliability and quality of work, safety, technology, production methods, marketing and communications.
2. The principle of responsible behavior in business. This principle is directed by a spirit of trust. By accepting the legitimacy of trade secrets, businesses should recognize that sincerity, candor, truthfulness, keeping promises, and transparency contribute not only to their own credibility and stability, but also the smooth and efficient business transactions, particularly at the international level.
3. The principle of respect for legal principles implies a fair and equitable treatment of all the participants. Companies should respect international and domestic rules. In addition, you should realize that some behaviors, even if legal, may still have adverse consequences. Legal sources undertake any business system to the application of various multilateral agreements on tariffs and trade, while respecting the objectives of national policy.
4. The principle of reserving the environment. Each operating system and individual should protect and, wherever possible, enhance the environment, promote sustainable development and prevent wasteful spending of natural resources and energy.
5. The principle of avoiding unlawful acts. Employees, citizens, and especially the leaders and managers in business systems should not participate in the taking or offering bribes, money laundering, illegal trade in arms, drugs or other materials used for terrorist activities or other forms of organized crime. On the contrary, they need to curb such practices and in collaboration with others prevent unethical practices.

In addition to the outlined principles, in quality economic practice there are principles relating to customers, associates and employees, owners, investors, suppliers, public authorities and other stakeholders in business relationships.

Customers and users of our products and services deserve our professional and dignified attitude, no matter what you buy our products and services directly from us or by any other means acquire on the market. Therefore, it is our duty and responsibility to:

- provide our customers the highest quality of products and services in accordance with their requirements;
- treat our customers fairly in all aspects of our business, including a high level of service and ability to provide assistance in case of dissatisfaction;
- do everything we can to provide our products and services ensure the maintenance or improvement of the health and safety of our customers and the quality of their environment;
- ensure respect for human dignity in the products, marketing and advertising, and respect the integrity of the culture of our customers.

Interests of associates and employees are respected and valued. Our responsibility is to:

- provide jobs and improve working and living conditions of workers;
- Be honest in communications with employees and open in sharing information, with the only limitations being those legal and competitive ones;
- listen to proposals, suggestions, requests and complaints of employees and, where possible, to respond to them;
- negotiate in good faith when conflict arises,
- avoid discrimination and ensure equal treatment and opportunity regardless of gender, age, race, and religion ;
- to promote, within the company, the employment of people with different abilities in the workplace where they can be really useful ;
- protect employees from injury and illness in the workplace that can be avoided;
- encourage employees and assist them in developing the necessary and transferable skills and knowledge;
- be sensitive to the serious unemployment problems that are often associated with business decisions; cooperate with the state, groups of employees , other agencies and other enterprises to solve these transfers.

Owners and investors should not be stigmatized, We must treat them in partner-like manner, with confidence. Therefore, our responsibility is to:

- perform management professionally and diligently to ensure a fair and competitive return on investment of our owners;
- provide to owners / investors relevant information in accordance with legal requirements and restrictions of competition;
- preserve, protect and enhance property owners and / or investors, and comply with the requirements, suggestions, complaints, and formal decisions of owners and investors.

Suppliers as a group of stakeholders are important to the success of not only a business system but also a range of other stakeholders. The price of one supplier affect the cost of production other stakeholders and thus may increase or decrease business success. The ratio of enterprises and suppliers, to some extent, is similar to the relationship with employees. For employees can be seen as suppliers of labor, competence and other human knowledge and skills. Both employees and suppliers must be paid enough to provide the required business system with quality product. This principle advocates the construction of such relations between enterprises and suppliers arising from awareness of the reciprocity. Naturally, reciprocity is always the premise of moral behavior. Therefore, the following are aspects of our responsibility:

- faster open markets for trade and investment;
- promote competitive behavior that is socially and environmentally beneficial and showing mutual respect among competitors;
- refrain from seeking or providing questionable reward or services in order to ensure a competitive advantage;
- respect the rights of ownership of the material and intellectual property;
- refuse to collect commercial information dishonest and unethical methods, such as industrial espionage.

Institutions of society and the public authorities are servants and drivers of higher goals. Public authority to perform within the moral responsibility for the welfare of others in certain destinations. Therefore, our responsibility in these destinations is as follows:

- respect human rights and democratic institutions and promote them wherever possible;
- recognize a legitimate obligation of the state to society as a whole, and support policies and practices that promote human development through harmonious relations between business and other sectors of society;
- cooperate with those forces in the community who are committed to raising the standards of health, education, safety and economic well-being;
- promote and stimulate sustainable development and play a leading role in preserving and improving physical environment and preserving the Earth's resources;
- support peace, security, diversity and social integration;
- respect the integrity of local cultures;
- be good corporate citizens through charity donations, contributions to education and culture and employee participation in community matters and civil matters.

Public officials are accountable for their behavior while on duty; they can be dismissed for unlawful acts, exceeding official duties or abuse of office. The burden of proving that there was no unlawful acts, exceeding official duties or abuse of office must be born by the officials.

4. SPECIFIC DUTIES AND RESPONSIBILITIES OF OPERATING SYSTEMS

Each operating system has its own position in society that needs to be filled. He is there to create pleasure and wellbeing of will flow in many directions. Operating system must therefore reduce their risks and wisely look after their responsibilities. It is an imperative duty. Corporate social responsibility is a concept in which the business systems required to incorporate into their business social and environmental standards. They are also urged to take more of a minimalist compliance and to invest more in human capital, the environment and relations with stakeholders. Commission of the European Union was in 2001. issued the 'Green Paper' in order to promote a European framework for corporate social responsibility. [12]

Non-governmental organizations are increasingly imposing corporate ethics and standards of competition in order to define the social responsibility of corporations. International Organization for Standardization (ISO) began a process that will likely lead to the declaration of ISO standards for corporate social responsibility, which is by its nature similar to the existing ISO standards for quality (ISO 9001) and environmental sustainability

(ISO 14000). Organization for Economic Co-operation and Development issued its basic principles of good governance companies.

Business systems are required to publicly report on all its activities in order for NGO activists to monitor and criticize their decisions. The so-called reporting the three aspects of the financial results and provide information about the social and environmental impact of companies. Therefore, enterprises in these communities have a duty and responsibility to respect human rights and democratic institutions and promote them wherever possible. Human rights and democratic institutions presuppose that the nation respects the rule of law and allow private property receives protection from the state.

The company should not offer complete freedom of action to the owner of the company. Given that the company meets also social goals, it must not strive towards excessive power over workers, trade unions, political parties and other sections of society. Too much power in the hands of companies and too little power in the hands of the state neither guarantee nor endorses commercial success.

A society where people are politically, economically and psychologically safe and where no one suffers because he is different has the greatest chance to enjoy significant confidence and other important components of desirable social capital.

5. CONCLUSION

In creating business excellence every business system and its managers use resources and generate quality business relationships and new resources. In these business processes and relationships they are burdened with a number of functions that perform better if we apply general and specific ethical and moral principles.

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