

# AN INVESTIGATION INTO ETHICAL PROBLEMS THAT ARISE IN THE BUSINESS WORLD

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#### Abstract

Concerning corporate social responsibility or effective corporate governance, business ethics refers to the study of how a corporation operates. Companies should fairly compensate shareholders, customers, and governments for their investments. Businesses will always resort to unethical practises in order to increase profits just at expense of other people. This study focused on the correlation between a lack of ethics and inadequate corporate governance. Basically, business ethics refers to the practise of adhering to a code of ethics in the business world. It can be used in virtually any industry. It has to do with how people and businesses act in the larger context. Business ethics encompasses a person's responsibilities to his or her customers, community, and environment. The field of corporate ethics has a seemingly endless list of issues. The study has experienced several concerns and obstacles that are vital and very pertinent with regards to ethical problems in business, and adhering to one's personal code of conduct is necessary for either practising business ethics or asking others to do so.

Keywords: ethics, works, business ethics, corporate, issues, values

## **1. INTRODUCTION**

There has been an increase in both the ease and complexity of running a business as a result of recent innovations in technology, computing, software aid, the proliferation of the internet, or digital media. Even in the last two decades, management has seen a dramatic shift. All facets of business administration have been modernised, with the bulk of these tasks now being carried out online with the aid of a internet and electronic devices. This includes planning, implementation, evaluation, and consulting (Michael, 2014). There has been a widespread trend toward viewing the world as a global village on the part of businesses of all sizes. The company websites act as a 24-hour a day, seven days a week one-stop shop. Instantly accessible question-answering websites have automated customer contact or service centres. Using the right software, businesses may instantly revise their financial data including sales, expenses, and profits. Now more than ever, people want to buy, sell, and make purchases online. As of right now, the periodical reports are generated automatically. In just a few seconds, you can get up an employee's whole biodata, including their history, current status, past achievements, current ratings, and past warnings/punishments. With a single mouse click, business owners and executives may monitor company operations from any location (El-Gohary, 2012; Shabbir et al., 2016). There are, however, many problems, particularly with ethical considerations, that come along with all these benefits. While there have been many positive changes in company management, there have also been an increase in the prominence of ethical concerns, as well as the emergence of new types of these concerns. Corporate responsibility, ethics, & accountability are at the forefront of modern debate (Bernstein, 2016). In terms of corporate culture, the organisation cannot be considered a role model (Alzola, 2015). Legal responsibility, workers rights, child labour, extortion, cybercrime, overbilling, privacy risks or disclosures due





to social networking, deception, misleading advertising, phoney reimbursements, etc. are only a few examples of the many ethical difficulties faced by businesses and their management (Kaur, 2017). Anxieties regarding cyber ethics have grown substantially since the advent of social media. There are many different types of ethical pressure that managers and individuals in management roles face every day. These pressures might come from ownership, governments, employees, consumers, supplier, competitors, or even other managers. It's always a struggle to have faith in management and businesses because of concerns about their honesty, ethics, and transparency. Managers in business often have to deal with ethical quandaries on a global, national, organisational, and even personal scale. Problems with ethics may develop while interacting with management, clients, vendors, staff, employers, or regulators. Thus, several levels of ethical concerns may emerge, but they all centre on honesty and reliability. The ethical difficulties become more pressing if there is any uncertainty about the management's or company's honesty and integrity. Particularly important and crucial transactions involve the company's core clientele. There are many potential sources of unethical behaviour in the workplace, including but not limited to: conflicts of interest, poor management of individuals and employees diversity and cross-cultural composition of working team members, ineffective communication, ethics violations on social media, place of work safety issues, and ignoring legal liabilities. In light of this, contemporary ethical challenges in management have become an urgent concern (Kim et al., 2015). Leonard (2018) noted that the widespread availability of information on unethical business activities on social media has given new urgency to the topic, which was previously ignored. Business reputation and popularity could suffer, which would lead to fewer customers and lower revenue. the massive American energy firm "Enron" shut down due to ethical concerns that led to its downfall (Florida Tech, 2017). Therefore, it is necessary to elaborate and justify this problem, as well as identify strategies to improve the current state of affairs. All parties involved can find a solution that works thanks to improved management. Because of this, ethical concerns can be handled competently. This review article has been prepared with those goals in mind. This study outlines methods and approaches for handling ethical dilemmas.

## 1.1 Business Ethics And Their Importance

Investopedia (2017) defines business ethics as "the study of correct business policies and practises regarding possibly controversial issues like corporate governance, influence peddling, bribery, discrimination, social responsibility, or fiduciary responsibilities," while the Businessethics Dictionary (2017) defines it as "the set of moral rules that regulate how businesses operate, how company decisions are made, and how people are treated." According to a straightforward definition provided by the Charted Association of Management Accountants, business ethics entails "the use of ethical value systems to business behaviour," This involves protecting the individual rights of individuals, organizations, societies, nations, businesses, and the environment, and acting in accordance with norms or moral ideals when conducting business. Worker safety issues are also a part of this. The cornerstones of ethical business conduct include sincerity, trustworthiness, openness, compliance with rules, and respect for the lawful rights of all parties involved. Historically, study of corporate ethics has focused on complying with the law, but this has often ignored the needs and desires of customers and





communities. Similarly, the study of etiquette, sincerity, and integrity has been less of a priority in recent years. Companies should be aware that adhering to business ethics pays off in the form of higher confidence from stakeholders, increased productivity, the retention of a quality workforce, the protection of customer trust, more efficiency, and additional compliance initiatives (Institute for Global Ethics, 2017). In the twenty-first century, business ethics have become globalised, transcending national boundaries. Laws and rules have been promulgated on a global scale by organisations such as the World Trade Organization (WTO), thus such violations are now impossible. If companies don't adhere to ethical standards, they won't last long.

## **1.2 Types of Ethical Issues**

Ethical concerns vary by sector/business, region/city, state/province/country, and firm policy/management. While some ethical concerns may not always be present, others seem to be present in the vast majority of situations. has uncovered problems like bribery, cybercrime, overcharging, privacy threats, and disclosures on social media, safety management, no slave labour, no gender or racial/ethnic discrimination, and no child labour are all important, legally binding obligations. It is not uncommon to find instances of fraud, misrepresentation, phoney reimbursements, etc. in business and management. Diverse authors have categorised the aforementioned problems into distinct sets. Oster (2017), for example, classified issues as either fundamental (trust, integrity, or treating customers fairly), Diverse (the recruitment or administration of business teams that are diverse in nationality, gender, ethnic background, & race), decision-making, or compliance and governance. Accountancy, finance, and networking ethics are left out of his grouping. Social networking, surveillance & privacy, transparency, child labour, and environmental protection are the five areas into which contemporary ethical dilemmas fall. As a consequence, he paid no attention to the increasingly delicate topics of personnel and financial accounting.

Accounting, social media, harassment/discrimination/health/safety/technology privacy, and technology privacy are the categories used in Florida, which seems to be the most reasonable way to classify ethical issues. There is a better and more logical case for this clustering, and it applies to nearly all current ethical concerns. Therefore, ethical concerns will be further developed in light of these four categories.

## **1.2.1 ETHICAL ISSUES RELATED TO ACCOUNTING AND FINANCE**

After moving all accounting procedures online, there was a significant increase in ethical concerns in the accounting and finance industries. Although "cooking the account books" was mentioned as an old accounting ethical dilemma, the same thing is now done with electronic statements, reports, purchases, and payments. To minimise tax liability and maximise return to shareholders is the driving force. Accounting irregularities, as outlined by Kaur (2017), include things like "dressing and misleading financial analysis," "manipulating accounts," "bribing," "money frauds," "overbilling" of expenses and purchases, "fake reimbursements," compensation to executives, an indication of lesser revenues, etc. According to Florida Tech (2017), Enron's most notorious scandal was the company's and its auditor, Arthur Andersen's, collapses owing to falsified financial accounts. Both enterprises failed, and the closure of one





of them cost the economy 85,000 jobs. Some other accounting and finance ethics concerns that have been brought up by Freedman (2018) are false financial accounting, misappropriation of assets, concealment of information, and penalties. Companies, shareholders, states, governments, stockholders, and ultimately customers through higher prices for goods and services are all adversely affected by these types of ethical difficulties (Hayibor, 2017).

# **1.2.2 SOCIAL MEDIA ETHICAL ISSUES**

In a report based on 250 online interviews, the Institute for Business Ethics found that 95% of workers make use of social media for both personal and professional purposes. Separating personal use from official use is thus quite challenging. As social media platforms like Facebook or Twitter grow in popularity, so do concerns about their impact on society's norms and values. Social media use in the workplace raises a number of ethical concerns, including the disclosure of trade secrets, interpersonal problems, personal information, and even the possibility of child labour or discrimination. The company's standing and trustworthiness could suffer as a result. Worktime social media use is a waste of both employee and employer time and resources. Workers view the limits imposed by their employers as an infringement on their personal liberties. That's why management's in such a tight spot right now (Bernstein, 2016; Freedman, 2018). Since most companies view their employees' online wrongdoing as disloyalty and a violation of employment standards, this scenario has become a major headache for those in charge (Florida Tech, 2017). To remedy this, Gunkel (2015) suggests updating corporate ethics guidelines to account for employees' social media use.

# **1.2.3 HEALTH AND SAFETY**

Despite the best efforts of governments and international organisations like the ILO, health and safety issues in the workplace continue to worsen. An anticipated two million people worldwide, including both men and women, lose their lives in the workplace due to accidents and illnesses in 2017, according to a research by the International Labor Organization (ILO). Around 270 million work-related accidents & 160 million job diseases occur annually around the world. Workers' lives on the job are thus at risk. According to the Occupational Health and Safety Administration (USA) (2017), the top nine most frequently cited violations of 2016 were related to lapses in fall protection, potential danger interaction, scaffolding, breathing safeguards, lockout/tagout, heavy machinery trucks, ladders, electricity, as well as machine guarding.

## **1.2.4 Technology/Privacy**

Workers' whereabouts, output, productivity, and office antics can now be tracked, monitored, and recorded thanks to cutting-edge equipment (video cameras and networking). Managers and employers can spy on their employees in every way, including by accessing their computers, conversations, Emails, or visited internet sites. Electronic monitoring should not turn into spies, even though employers can lawfully monitor employees' professional Emails. While it's true that having security cameras around the office can help keep everyone safe, it can also have a negative psychological impact on workers who are always aware of being watched. According to Mack (2017), businesses have a moral obligation to strike a fair balance between protecting





workers' privacy and discouraging unethical behaviour. The internal policies need to be drafted accordingly, and all workers should be made aware of how closely the company monitors and inspects their use of the company-issued computers and other internet-connected devices.

## 2. LITERATURE REVIEW

**Dyczek, B., et al (2022)** conducted a study on Impact of Ethical Issues on the Functioning of Enterprises–A Sociological Analysis. This study was commissioned with the intent of providing an ethical analysis of the business. There is usually a lot of discussion about corporate ethics. In order to safeguard their reputation, businesses often publish and enforce ethical guidelines for its staff. There will be no profit for the business owner if the company loses the trust of its clientele. That's why it's not a stretch to claim that ethics and business success go with one another. However, this concept holds water when discussing the limelight of the business world. There isn't always a strong emphasis on ethics within the internal dynamics of businesses.

**Rathi, A. et al (2021)** explained the study on need of ethical issues and practice in business. Medical, technological, legal, journalistic, social, and business ethics, among others, could all be considered part of an emerging area called "applied ethics," which is sometimes seen as a branch of moral philosophy. A major subfield of ethical theory, business ethics examines moral and ethical problems specific to the business environment. The term "business ethics" is used to describe the norm of acting morally in the business environment. That's why it's applicable to so many different fields. How people and organisations behave in a broader setting is at the heart of the issue.

**Hong, W., et al (2021)** discussed the study of on classic and modern ethical issues in business and management academic research. The ethical considerations of scientists has been a hotly debated topic for decades. In spite of the fact that certain enduring ethical challenges, such as plagiarism or falsification, receive a lot of attention, some contemporary ethical problems remain puzzling and ignored by researchers, particularly those at the beginning of their careers. The purpose of this study is to discuss and analyse a few contemporary studies in business and management that reveal moral dilemmas.

**ONWULIRI, A. C. et al (2022)** conducted a study on Ethical issues and the bane of nigeria's economy: a philosophical reflection. Current business practises in Nigeria display a lot of paradoxes and ethical dilemmas. Companies that are just getting started and public organisations that are controlled by the government are often handled without a solid basis in ethics. The study's overarching goal is to demonstrate the critical importance of a solid foundation with strong ethical standards for addressing the egregious difficulties produced by immoral practices in Nigeria's financial industry. The success of your organisation and the world as a whole will be enhanced if all of your management and employees always do the right thing and adhere to high ethical standards.

Dahl Rendtorff, J. et al (2022) explained the study on Outline of Ethical Issues Concerning Government, Business and Information Technologies. Additionally, we are faced with





fundamental issues relating to openness, authority, as well as the democratic society's functioning as a direct consequence of the digital transformation in knowledge. This highlights the increasing difficulties governments and organisations face in maintaining confidentiality as more and more data becomes publicly available. In the perspective of a knowledge society, the present moment might be understood as an information revolution propelled by technical advancements. This revolution, most obviously manifested in the internet, changes the connection between people and society in making it crucial for people to have easy access to a wide range of information equipment and technologies.

Ariani, M. et al (2021) discussed the study on ethical behavior of accounting students in facing ethical problems in the world of work. The study team at Budi Luhur University set out to examine the role that values like morality, spiritual intelligence, and ethical sensitivity played in the moral judgments made by their accounting major peers. The data was collected using a systematic process of random selection. The findings of the study revealed that accounting students' ethical judgments are significantly influenced by their capacity for moral reasoning, general moral perception, and spiritual sharpness. This study shows that students who work to improve their reasoning, spiritual intelligence, and ethical sensitivity are more likely to make moral decisions in their daily lives.

**Hong, W., et al (2021)** conducted a study of classic and modern ethical issues in business and management academic research. Ethical considerations have been a popular discussion topic for decades, and for good reason. While researchers, especially those who are still developing their careers, often revisit discussions of long-standing ethical concerns like plagiarism and fabrication, some modern ethical challenges remain serious and are often disregarded. This study seeks to examine and explore the moral concerns that surround the study of modern business and management. First, this article found that academics are under intense pressure from both within and outside their institutions to write rigorous theory development publications while ignoring the importance of practise.

**Pavlyshyn, L., et al (2019)** explained the study of Ethical Problems Concernig Dialectic Interaction of Culture and Civilization. The idea of consistency as essential to human livability or essential to one's own integrity of someone being has deep philosophical roots. Philosophers are always on the search for the mechanisms that keep society functioning smoothly despite the fact that its members have widely divergent values. Emile Durkheim said that people become societies when they find that they share common goals, norms, and beliefs. It's important to remember that there's more to social life than the people who make it up. Production of both material and immaterial commodities, expansion of ecosystems, and development of human character are all outward expressions of creativity in public life.

**Islam, M. A. (2021)** discussed the study of Implementing ethical standards in business: An example of Bangladeshi garment industry. The study's overarching goal is to learn more about how enterprises in Bangladesh's garment sector are using ethical standards and to verify whether or not these standards are actually being put into practise. The policies, processes, and codes of conduct of a company are crucial to its success, since they serve as the moral compass by which employees and outsiders should judge the company's actions. Evidence suggests that





existing policies, guidelines, and codes of conduct are not as successful as they could be, and that in some instances, behaviour does not conform to ethical norms. The findings demonstrate that the garment industry as a whole falls short when it comes to involving all relevant stakeholders (including, but not limited to, employees and workers) and establishing ethical standards to govern the conduct of all parties involved in commercial activities.

Li, G., et al (2019) conducted a study of Analysis on ethical problems of artificial intelligence technology. Artificial intelligence has altered conventional ways of production and philosophies in human society, making significant contributions to its development. The existing policy framework is imperfect, and there is no supervisory mechanism in place for artificial intelligence, which is a developing technology. Privacy invasion, economic inequality, and environmental damage are just a few of the potential downsides of this technology. Additionally, it brings up questions of ethics, including those of human rights ethics, data ethics, or responsibility ethics. To protect people's basic rights and help society flourish, scientists working in the field of artificial intelligence are making tremendous strides in the right direction.

## **3. METHODOLOGY**

An abbreviation for "research methodology," which describes the approach taken by researchers to describe how they plan to conduct their investigations. It's a plan of attack that can help you solve a research issue in a rational and systematic way. This research looks at the regional, organisational, and personal ethical dilemmas that business manager's encounter. Approximately 415 different types of industrial managers were surveyed for this study. Analysis and interpretation of data typically involve the use of tables and graphs.

## 4. RESULT AND ANALYSIS

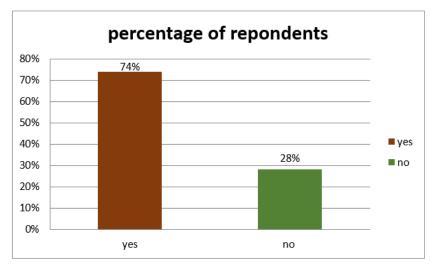


 Table 1: Non- Work Related Websites throughout the Working Hours Are A Waste

 Of Corporate Time And Resources





74% managers say yes that Network-related websites throughout the working are a waste of corporate time and resources. 28% say no to this.

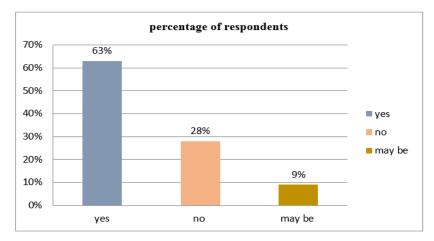
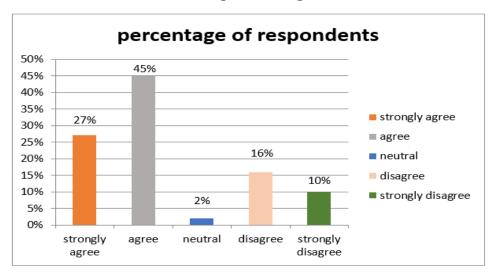


 Table 2: Favoritism in recruiting is a prevalent ethical problem nowadays

63% of managers believe that favoritism in hiring is a frequent ethical concern in today's society, while 28% of managers disagree and 9% of managers are unsure.

Table 3: Workplace discrimination occurs when an employee is unfairly targetedbased on their gender, religion, etc



45% managers agree that Workplace discrimination occurs when an employee is unfairly targeted based on their gender, religion, 27% are strongly agree, 2% are neutral, 16% managers disagree with this and 10% are strongly disagree.





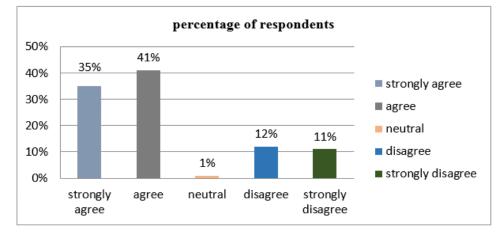


Table 4: Unethical executives often create a toxic work environment

35% managers agree that unethical executives often create a toxic work environment.41% are strongly agree, 1% are neutral, 12% managers disagree with this and 11% are strongly disagree.

## CONCLUSION

An organization's day-to-day effectiveness is significantly impacted by its culture and how it treats its employees morally and ethically. A company's reputation and bottom line benefit from ethical practises, as do the various organisations that interact with and are affected by the company. Society as a whole benefits from a more stable and safe setting. Business ethics is an important subfield of applied ethics because it examines both general ethical principles and the specific moral or ethical quandaries that may arise in the workplace. When it comes to making a success of your business, ethics is a crucial component. In order to accomplish this, this essay will analyse and discuss ethical dilemmas related to modern academic studies of business and management.

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