THE ROLE OF MANAGERS IN IMPLEMENTING ETHICAL PRINCIPLES IN SELECTED ENTERPRISES OF THE WIELKOPOLSKIE VOIVODESHIP

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ABSTRACT

In companies, it is necessary to set boundaries and norms of conduct, to supervise their implementation, and to implement them consistently through the efforts of a manager who has an impact on the activities of his employees. The research goal is to identify employee views on the implementation of ethical principles in the company, as well as to define the role of a manager in this process. A hypothesis has been formulated: in the surveyed enterprises, managers apply ethical principles resulting from ethical codes binding in the company, known to everyone. The conclusions of the primary study on a group of employees forced the hypothesis to be rejected. They also showed that ethical principles are created based on a manager's instructions or based on management/owner guidelines, and the ethical aspect is an important element of a good manager's work. The application of appropriate rules may affect the functioning of the enterprise.

Key words: human management, business ethics, ethical management

JEL codes: M12, M14, M54

INTRODUCTION

Enterprises performing their activities on the market must be aware that they operate in a specific environment and should respect the rules applicable in it. On the way to maximizing profit, care should be given to consumer interests, scarcity of resources should be taken into account, moral principles should be adhered to, and actions to protect the natural environment should be implemented, thereby maintaining responsibility for company actions in all functional areas [Kwarcińska 2015].

In the face of weakening confidence in business, resulting from earlier attempts to eliminate moral principles from economic activity, the concept of corporate social responsibility emerged, with the goal to somehow promote an ethical face. The image of an ethically acting enterprise emerges from respecting the basic premises of this idea. However, the correlation between the implementation of corporate social responsibility principles and the ethical perception of business is becoming more and more noticeable, so its effects cannot be ignored [Kwarcińska 2015]. This concept is a long-term approach to conducting business by assuming that although the main goal of the company is to maximize profit, each enterprise should be responsible for its activities and its impact on the environment. Thus, companies implementing this concept, in addition to achieving economic results, try to maximize pro-social and environmental effects in order to realize

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such benefits as improving their image in the eyes of stakeholders, having a positive impact on employees, and increasing competitiveness [Leoński 2016].

Organizations showing unethical behaviour have had to deal with market forces requiring them to re-examine their policies and conduct in the business environment. This often leads to the realization that ethical leadership is the path to profitability [Moss 2002]. However, it is important to be aware of the problems that may arise as part of ethical leadership due to growing competition in the global market for business and resources [Thorton 2009]. Enterprises with concerns in this area need to look for a charismatic leader who maintains ethical principles [Mackie et al. 2006], because one of the most serious problems facing organizations today is impoverished ethical behaviour and non-existent ethical leadership [Monahan 2012]. Therefore, in the 21st century, ethical management is a requirement for managers who strive to achieve organizational excellence and efficiency [Szejniuk 2016].

At the same time, in modern organizations, due to the increasing commitment to work and people's activity, it becomes necessary to regulate business activities by implementing specific principles that result directly from the concept of ethics. People strive to set rules, but also require compliance with them, hence the need to create policies or various types of codes, including ethical ones. All these activities lead to orderliness, facilitate the setting of specific frameworks for specific tasks or initiatives, and as a consequence facilitate cooperation.

In the activities of business enterprises, a very important role in this respect is played by the manager who manages the work of his employees and thus shapes interpersonal relationships in the company, while ensuring the efficient implementation of company policies in accordance with the principles set out within it.

Due to the topicality of the issues being implemented, as well as based on the ethical problems facing organizations in the current, rapidly changing environment, the research objective of this article was to identify employee views on the implementation of ethical principles in the company, and to determine the role in this process for the manager. Therefore, re-search was carried out among employees of selected enterprises, which were used to verify the following hypotheses:

- Hypothesis 1 – In the surveyed enterprises, managers apply ethical principles arising from the ethical codes binding in the company.
- Hypothesis 2 – The implementation of ethical principles in the company is done primarily by rewarding and punishing for specific actions.

Every entrepreneur strives to achieve competitive advantage on the market, but not everyone undertakes fully ethical actions. Not all entrepreneurs are aware that ethically questionable activities are short--lived, and in the long run only ethical behaviour can bring long-term success [Klimek 2014a]. Therefore, it is necessary to take actions to raise awareness of ethical behaviour in the business environment.

ETHICAL MANAGER IN THE ENTERPRISE

For the purposes of inference, it became necessary to attempt to define the concept of a manager, as well as to present his/her important features. The manager is a person holding managerial functions, and in particular someone who plans and makes decisions, organizes, manages and controls all resources in the company, and as a consequence implements the set goals in an efficient and effective manner.

The modern approach to management, one based on entrepreneurship, corporate social responsibility and focused on agreement and cooperation, means that it is not enough to be a good manager. One should still strive to be an entrepreneur/manager--moral leader who can combine and direct efforts and abilities to create values that build the long-term competitiveness of the company. The new approach to management requires developing the main features of a manager-leader based on the characteristics of a good manager [Mroziewski 2014]. This managerial leadership is associated with [Bartkowiak and Niewiadomski 2011]:

- creativity, entrepreneurship, simplicity, intuition, exploiting opportunities, creating and articulating visions;
- determination, sense of responsibility and courage in achieving goals and introducing innovations;

– integrity (acting in accordance with one's convictions and declarations for the good of other people), egalitarianism that promotes equality, cooperation, cohesion and community;
– analysing, perceiving potential errors and jointly defining recovery paths, determining the freedom of action and principles of teamwork;
– constant learning, listening carefully to others and sharing knowledge;
– focus on members of the organization and not on systems and structures;
– focus on building relationships, credibility, authenticity, resilience and empathy, care for subordinates and creating conditions for personal development;
– ethics of attitudes and behaviours determined by such values as: honesty, impartiality, decency, honesty, reliability, modesty, justice, generosity, serving others, encouraging them to take their own initiative, setting ambitious requirements, understanding problems in everyday work, and showing: emotional honesty, sincere concern, sincere openness to new ideas and changes.

It should also be noted that ethical management should be based on two pillars. The first pillar concerns the company's activities in complying with applicable laws. The second pillar is the protection of the rights of all employees [Szczupaczyński 2010].

Bearing in mind the need for ethical action and the above premises, organizations create special formal ethical codes, i.e. written values and ethical norms which the company follows in its activities. It certainly helps to strengthen ethical behaviour. In addition, special teams dealing with the implementation of ethical principles may also be set up, although not all enterprises decide to do so [Kubik 2012].

Enterprises that have previous experience and values to guide them and their response to various problems that arise, create a kind of vision of morality for the future [Stoner et al. 2011]. At the same time, in the minds of managers, there should be a conviction that building one's position should be based on proper conduct, not based on cunning, deception and the use of others. As a consequence, the market activity will be a variant of moral behaviour, because business and ethics should be inseparable, and this is an important guarantor of the company's success [Chwistecka-Dudek 2015].

RELATIONS BETWEEN ETHICS AND BUSINESS

More and more companies refer to ethical and social values in their activities, and responsible investors are interested not only in profit at all cost, but also in a dynamic and steady increase in the value of the company. In the face of growing awareness of the media and consumers, this increase in value is not possible without taking into account non-financial aspects of company operations [Rabiański 2013]. Therefore, socially responsible activity has become in Poland one of the criteria for assessing the value and quality of business management [Dyjas-Pokorska et al. 2011]. A socially responsible company should be defined as an organization that remains open and listens to the environment without giving up on profit-making activities. It is a company that not only cares for good relations with its clients and shareholders, but also seeks the same relations in contacts with employees, suppliers and the local community [Paliwoda-Matiolańska 2009].

An enterprise is an entity which, in order to implement its basic economic intentions, must take into account the whole environment, because the existence of other entities on the market requires it to comply with specific rules and rules of conduct, including taking responsibility for its actions [Kwarcińska 2015]. This responsibility is directly related to ethics, and in business operations to business ethics [Matuszewska 2017].

Ethics consists of standards of conduct that we are required to fulfill in personal and professional life. It defines levels of honesty, empathy and credibility, as well as other virtues that help us define our personal behaviour and image. Ethics set standards in relations with other people: in personal life with family, friends, and in professional life with colleagues, clients, employees or shareholders [Byars and Stanberry 2018]. Success at work can therefore consist of more than just making money and promoting. It can also mean treating our employees, clients and colleagues with integrity and respect. It can come from a sense of pride in engaging in fair transactions, not only because the law requires it, but because we demand it from ourselves [Byars and Stanberry 2018].

The concept of business ethics means the relationship between an enterprise and its business partners, employees and competitors. These relations must comply with applicable law and accepted rules of conduct. Unfortunately, enterprises striving to maximize profit often make controversial decisions that are contrary to the norms of social coexistence [Matuszewska 2017]. Thus, business ethics direct proceedings in which companies and their representatives comply with the law and respect the rights of their stakeholders, in particular clients, employees, and the surrounding community and the environment [Byars and Stanberry 2018].

Each organization, regardless of the type of business and scale of activity, sets its own goals and tasks, but also faces specific problems. This is significantly affected by the conditions in which companies operate. Often, excessive demands are placed on the managerial staff, in which the highest value is extremely high efficiency. In such a situation, even with the awareness that unethical activities can only briefly create the illusion of success on the road to efficiency and providing the company with a competitive advantage on the market, managers sometimes decide on this way of acting [Klimek 2014b].

The relationship between morality and business has always been a subject of consideration for both theoreticians and practitioners. The actions of business people who do not comply with the moral principles in force in a given society are often criticized. It should also be noted that business can be particularly susceptible to breaking moral rules, which means that it is watched by society. Economic decisions relate to various areas of life, and the actions taken influence the interests of many social groups, their living conditions, and life opportunities. The assessment of these behaviours and business activities depends on whether the assessments are based on the principle of equity, and the morality of conscience, or whether they are based on the rules of effectiveness, referring to the practice of economic life [Kopka 2013].

To sum up, the modern economy requires not only economic and technical knowledge, but also knowledge about the ethical dimension of economic activity. Therefore, education in the field of business ethics is becoming increasingly important [Gasparski 2012],
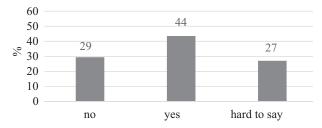
and ethics is starting to play an increasingly important role in business operations. At the same time, reliability in business brings many benefits, of which no less important is the fact that this is a key factor in allowing businesses and society to function properly. Successful corporate leaders and the companies they represent will feel satisfied that they do business honestly and treat customers, employees and others with dignity and respect. It is worth emphasizing that clients, employees and the whole society will be much more willing to support such a company and identify with it. Certainly, it is easier for companies to build long-term relationships with clients and employees if their activities are based on honest business practice [Byars and Stanberry 2018].

THE IMPORTANCE OF ETHICS IN THE MANAGER'S WORK BASED ON EMPIRICAL RESEARCH

In order to learn about the ethical aspect of the manager's work and verify the hypotheses set up, it became necessary to conduct empirical research. The study covered employees in selected enterprises, whose selection for the study was intentional. As the criterion for selection, the number of employees was established, and therefore the research covered 30 selected small and medium-sized companies, employing a maximum of 250 people. The study was conducted from September to November 2018 in the Wielkopolskie Voivodeship. The survey, which was the method used to verify the hypotheses, consisted of conducting interviews through the use of electronic mail, and eventually 275 completed questionnaires were accepted for the analysis.

Among the employees participating in the survey, men predominated, constituting 64% of the respondents. Respondents held the following positions: sales employees (sales representatives, employees performing orders in sales departments) – 31%, office employees – 25%, employees directly dealing with customer service – 44%. The people in the study group were aged 30–39 years – 51%, 20–29 years old – 32%, and over 40 years old – 17%.
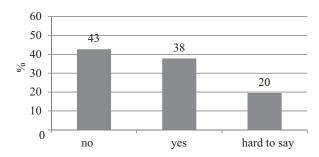
The first question addressed to employees was: Does the company have a code of ethical principles?

According to the analysis of the answers, not all employees are able to answer this question, which may suggest the low significance of ethical aspects in the company or the lack of formal records regarding ethical activities. The distribution of answers is presented in Figure 1.

Fig. 1. The code of ethical principles in the company

Source: Author's own study.

Analysing the above distribution of responses, it should be noted that 44% of respondents confirmed the existence of a code of ethics in the companies in which they are employed. At the same time, nearly 30% claimed that such a code was not in force in their companies. However, the most puzzling is the number of undecided people who could not clearly determine whether or not their company had a code of ethics – they constituted 27% of all respondents.

The second question was: Do managers apply ethical principles in management? The distribution of individual answers is presented in Figure 2.

Fig. 2. Application of ethical principles by managers

Source: Author's own study.

According to the data on the chart above, according to almost half of employees (43%), their managers do not apply ethical principles in their work. At the same time, 38% of respondents said that their manag-

ers are guided by ethics and its principles. It should also be noted that 20% of people were unable to assess this aspect of the manager's work.

Based on the above two charts illustrating the respondents' answers, it should be emphasized that in the opinion of half of the surveyed employees, managers do not follow ethical norms at work. Only 38% confirmed their implementation and the others could not identify whether or not their managers followed ethical principles. In addition, less than 1/3 of respondents confirmed the existence of ethical codes in their companies. Many do not confirm it or do not even know about it. Therefore, it was necessary to reject Hypothesis 1, which assumed that: In the surveyed enterprises, managers apply ethical principles resulting from ethical codes binding in the company.

In addition to the previous questions, respondents were also asked: Are employees required to apply ethical principles? Individual responses to this question can be found in Figure 3.

The responses are quite surprising. According to the Figure 3, over half of the respondents confirmed that managers require them to follow ethical principles in their daily work (answer: definitely yes was indicated by 16%, and rather yes by 44%). At the same time, over 20% of respondents do not feel such requirements (answer: rather not was indicated by 20%, and definitely not by 2%). And a full 18% of respondents were unable to determine whether or not they were required to apply ethical principles in their work.

For the purposes of inference, it is necessary to analyse the answer to the question: On what basis do you currently feel the ethical principles in your company? The distribution of respondents who made a choice between five different variants is shown in Figure 4.

The above question showed the diversity of elements affecting the company's ethical principles. As can be seen in Figure 4, ethical principles are most often based on manager's instructions (26% of respondents' answers) or based on management/owner guidelines (21%). Subsequently, 20% of respondents also stated that ethical rules result from ethical codes binding in the company. Unfortunately, as many as 18% of the surveyed employees considered that each individual implements rules consistent with his/her own value system, without the participation of other people employed
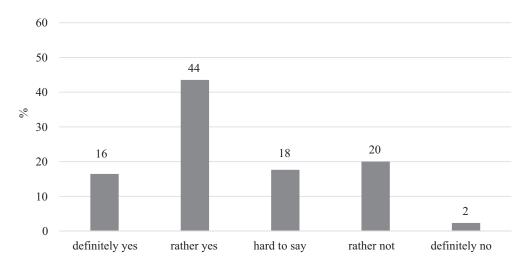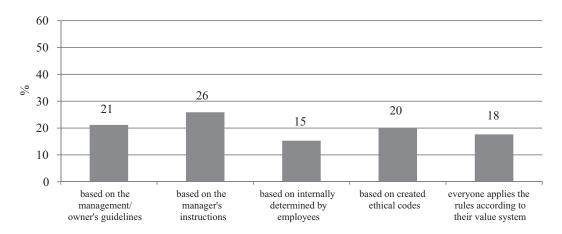
Fig. 3. Requirements towards employees regarding the application of ethical principles

Source: Author's own study.

Fig. 4. Fundamentals of ethical principles in an enterprise

Source: Author's own study.

in the company. In addition, 15% of the respondents clearly indicated that employees operating in specific teams set the standards of conduct themselves.

Summing up, general conclusions can be formulated on the basis of the conducted research. In many companies, employees do not know if a code of ethics exists. This may be due to the fact that codes of ethics are not always communicated to employees. Often they are only a formal document that does not translate into real actions and behaviour of individual people in the company. In addition, according to almost half of

the respondents, their managers do not apply ethical principles in their work, but at the same time require their employees to follow such principles in their daily work.

The important role of the manager in creating and implementing ethical rules in the company is confirmed by the surveyed employees who responded that ethical principles are created based on manager's instructions or based on the guidelines of the board/ /owner. Together, these people constituted half of all people participating in the study.

The conducted research confirmed that the ethical aspect is an inseparable element of the work of a good manager, because applying ethical rules can significantly affect the functioning of an enterprise in a market environment and at the same time determine its existence in the future.

CONCLUSIONS

Contemporary managers have different tools at their disposal, but even the best and most advanced tools will not affect the success of their actions as much as their ethical conduct. The important thing is that it is not enough to be a good manager, but managers also need to take such actions and create a reality that will be focused on implementing the values that allow them to create long-term competitiveness of the company. The application of ethical norms in managing people will translate in the future not only into their involvement in the performance of activities and loyalty in relation to the enterprise, but above all in shaping the image in the market environment and, consequently, the effectiveness of the actions taken.

The research helped bring some of the elements related to the implementation of ethical standards in the company and the role of the manager into this process. The biggest difficulties that arose during the implementation of the research were obtaining high maneuverability of the surveys from respondents in accordance with the researcher's assumptions. However, this enabled cooperation with selected enterprises of Wielkopolska region in the implementation of the training project in the period from September to November 2018, during which time employees participating in training were included in the study. There was a high risk that after the period of cooperation with companies the researcher would not be able to obtain results. It was difficult to operate under time pressure and in conditions of high uncertainty regarding the maneuverability of surveys.

Analysing the results obtained, it should be noted that in the future questions should be formulated in more detail so that the obtained answers can be used for more comprehensive inference. Certainly, interesting conclusions could be brought by a study carried out in the same companies among managers in the future, then comparing the results. It can be expected that the answers obtained would be significantly different. However, reaching the same people and inviting them to research would be a very big limitation.

To sum up, it is worth noting that the topic of ethical activities and corporate social responsibility is current and concerns not only entrepreneurs and managers, but also employees. Therefore, it is worth conducting research and analysing the results to make people aware of the need to implement ethical principles in enterprises focused on long-term success and the role of managerial staff in this respect.

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ROLA MENEDŻERA WE WDRAŻANIU ZASAD ETYCZNYCH W WYBRANYCH PRZEDSIĘBIORSTWACH WOJEWÓDZTWA WIELKOPOLSKIEGO

STRESZCZENIE

W przedsiębiorstwach konieczne staje się wyznaczanie granic i norm postępowania, a także nadzorowanie ich wdrażania oraz konsekwentne ich realizowanie w pracy menedżera, który ma wpływ na działania podległych mu pracowników. Celem badawczym jest zidentyfikowanie poglądów pracowników na wdrażanie zasad etycznych w firmie, a także określenie w tym procesie roli menedżera. Postawiona została hipoteza: w badanych przedsiębiorstwach menedżerowie stosują zasady etyczne wynikające z obowiązujących w firmie, znanych wszystkim kodeksów etycznych. Wnioski z badania pierwotnego przeprowadzonego na grupie pracowników wymusiły odrzucenie hipotezy. Unaoczniły one też, że zasady etyczne powstają według instrukcji menedżera lub na podstawie wytycznych zarządu/właściciela, a sam aspekt etyczny jest ważnym elementem pracy dobrego menedżera. Stosowanie odpowiednich reguł może bowiem wpływać na funkcjonowanie przedsiębiorstwa.

Słowa kluczowe: zarządzanie ludźmi, etyka biznesu, zarządzanie etyczne