ETHICS AND ORGANIZATIONAL CULTURE – KEY ELEMENTS REGARDING THE DEVELOPMENT OF ECONOMIC ACTIVITIES

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Abstract
The aim of this paper is to analyse the organizational culture within the business environment. The paper analyzes the ethical criteria of the entrepreneurs and the way they relate to the consumer, as well as the reinforcement of the moral values so that the final result of the economic activity is represented by sustainability and economic profit. We thought it would be important to point out that promoting an ethical firm can ensure the well-needed trust capital in a constantly changing society. In this context, corporate responsibility is a key element that ensures both the sustainability of the company as well as the sustainability of the relations with the business partners.

In our view, a strong corporate culture must integrate ethics and responsibility in all its activities, since the focus is often laid on obtaining profit, not on the values that should lead the organization towards success over a long period of time. Since our society provides both positive and negative information regarding any company or organization, the focus should be laid increasingly more on the ethics and responsibility of the human resources in regard to the external environment of the company.

We thought it would be appropriate to bring up these issues since the issue of building an organizational culture is at a very early stage in our country, and most entrepreneurs only aim at obtaining short-term profit. The fees and taxes are high and the thick legislation often does not provide alternatives; therefore, one must take into account the fact that the real profit is not represented by the short-term benefits, but rather by the benefits obtained in a constant manner over medium-long periods of time.

Key words: ethics, organizational culture, trust capital, profit, economic activity

JEL Classification: L20

I. INTRODUCTION

In a constantly changing society, where the needs of the individual are becoming increasingly diversified and the products and services can be substituted at any time, the main interest of the entrepreneur is to obtain profit and ensure sustainability over time. The manager’s actions and the way he and implicitly the organization he is managing relate to the consumer can make the difference between success and failure in business. A first aspect that the focus is laid on is related to the entrepreneur’s behaviour, since the responsibility towards the business partners should by no means affect the environment or the community. Nowadays people talk increasingly more about business ethics, business responsibility or about the responsible behaviour towards the business partners. All these aspects are, in our opinion, purely theoretical, given that in practice the vast majority of the business people from the former communist countries largely excel at lack of culture (Botescu, I., Nicodim, L., Condrea E., 2008). The main ethical issues of business are closely related to the economic indicators of the organization’s activity - the measurable revenues, the expenses and the profit; we can also add the responsibility indicators, expressed by obligations towards the other persons wherewith one comes into contact within the business environment (Botescu, I. Nicodemus, L., Condrea E., 2008). Due to these issues, business ethics does not enjoy a clear status, given that the association between the terms business and ethics may seem inadequate Maxim, S.T., Dascălu, I.D., Hapenciuc, V., (2008): on the one hand, one seeks to maximize the profit and, on the other hand, the responsibility towards the products or services that the company is providing to the consumers.

18 This work has been supported through the project “Interdisciplinary excellence in the doctoral scientific research in Romania - EXCELLENTIA”, co-funded from the European Social Fund through the Human Resource Development Operational Program 2007-2013, contract no. POSDRU/187/1.5/S/155425.
In a society where everyone can find out anything, the question of business transparency is raised. Business ethics is not just about fair competition or responsibility; it also involves many other aspects, including a strong code of ethics. Ethical codes are written documents that refer to values, norms and behaviour, which are legally connoted (Miller, V., 2006); however, this does not mean that they require exclusively complying with the legal framework; they are simply a set of decision tools which are useful for solving the conflicts that might arise between employees and employers, between managers and shareholders (Dinu, V., 2008) or between the organization and the business partners. The bigger the organization is, the greater are expectations of the society regarding that organization, since the ethical behaviour is a consistent action, with an accepted code of behaviour (Purcărea, T.V., Purcărea, A., 2008).

Business ethics requires a particular approach, given that the decisions have economic implications. On the one hand, it is about ethical dilemmas, and on the other hand about the legal aspect of the organization's actions. Since the question of institutionalizing ethics is raised within organizations, we cannot talk only about business ethics, but also about the ethics of organizations. This involves “an articulation, application and assessment of the organization's values and moral positions” (Agheorghiesei, DT., 2011); these issues “derive and develop within an organizational culture where the vision and the mission consist of professional and managerial performances and in reaching the organization’s objectives upon the current practices” (Agheorghiesei, DT, 2011). In this context, besides institutionalizing ethics, one raises the issue of integrating ethics within the organizational culture of the companies.

Business organizational ethics does not only involve an ethical behaviour or a behaviour that complies with the legal framework in force (Terec-Vlad, L., Trifu, A., Terec-Vlad, D., 2015). On the contrary, one can talk about aspects related to the internal and external communication. However, communication is closely related to ethics, which is why we thought it would be appropriate to bring into question the fact that ensuring the comprehension of the messages must take account of the tone, time, moment and completion of the communication. From the managerial perspective, communication is one of the tools that the leader most often appeals to in order to coordinate his subordinates; it includes items such as:

- The emergence of a thought or idea that the issuer is going to structure in a logical form (Burciu, A., 2008);
- As a result of this structuring, one can say that the idea was decoded under the form of an explicit message (Burciu, A., 2008);
- The explicit and complete transmission of the message towards the receiver (Burciu, A., 2008);
- The type of channel used – oral, telephone, e-mail (Burciu, A., 2008);
- Preliminarily preparing the recipient for receiving the message (Burciu, A., 2008);
- Decoding and understanding the message (Burciu, A., 2008).

As previously mentioned, we can talk about ethics within communication as well; when transmitting the message, one should not use manipulation and persuasion strategies or phrases with double meaning for everyone to understand what they want. Communication ethics must be based on a series of values such as honesty, trust, integrity and respect for the organization's internal and external environment. Since ethics is most often confused with professionalism, we believe that communication should be tactful, without resorting to manipulation, even when solving conflicts. One of the most important values that organizations focus on is the truth and along with it freedom, responsibility and autonomy.

Ethics and communication do not only refer to issues related to the transmission of messages (Posteucă, N., 2015) or related to the society where the organization carries out its activities; thus, the issue of becoming rich over night is raised, especially since the economy is currently quite unstable. Vasile Morar believes that the main types of issues are: determining the fairness of resource distribution, the way of converting a clear principle of equity to particular cases, the conflicts of values, the consequences of the new technologies and problems that arise due to the development of moral intuitions and the task of putting them into practice (Morar, V., 2006). On the other hand, another set of problems faced by business ethics involves:

- Is an organization forced to help fight the problems faced by the society? (Shaw, W., Barry, V., 1992);
- Is it legitimate for the employees to use the positions they hold within companies in order to advance their own interests? (Shaw, W., Barry, V., 1992);
- Is passing a personality and honesty test a justifiable criterion for hiring a person? (Shaw, W., Barry, V., 1992);
- Should the producers show the flaws of their products? (Shaw, W., Barry, V., 1992);
- What are the obligations of an employee towards the parties outside the company such as customers, competitors and the society in general? (Shaw, W., Barry, V., 1992)

These are just some of the issues that the researchers in the field of organizational culture argue upon in order to analyze the firms’ behaviour in relation to the issues listed above. Nowadays people talk increasingly more about ethical education.
In this context, Monica Petcu and Eduard Dinu believe that through ethical education one aims, on the one hand, to ensure certain knowledge that enables the integrative-systemic approach of the problems, the deceleration of the interdependencies and specific conditionalities, the critical analysis and sustainable design of the business, handling the ethical dilemmas based on ethical theories and, on the other hand, to train professionals that adhere to the values of the company, are open to cooperation, are concerned with self-education, create added value and are good communicators within the company’s activities and in the public space and to form adhocracies (Petcu, M. Dinu, E., 2014).

II. GENERAL ASPECTS OF THE ORGANIZATIONAL CULTURE

The organizational culture refers to the values, beliefs and practices accepted by the members of an organization, which are transmitted from generation to generation by the employees ((Deaconu, A., Podgoreanu, S., Rasca, L., 2004). They are required - we could say – by the organization's manager, given that one specifically aims to obtain long-term profit, together with loyalty and responsibility towards the business partners. Not all the organizations have the same organizational culture and they do not all focus on the same types of values; the organizational culture acts as a reference system which allows the members to act in accordance with the external environment (Cîrnu, D., Boncea, A., 2010); for this reason, the elements that characterize the organizational culture are difficult to define, they are multi-dimensional and focus on the group or the individual; on the other hand, they involve: integrating the subunits, which can be independent or interdependent, risk tolerance, awards and rewards, focusing on the goals or the means, the degree of openness, and the need to analyse and change the organizational culture (Cîrnu, D., Boncea, A., 2010).

Although there is no universally accepted definition of the organizational culture, the term can be defined as the values, attitudes, beliefs and practices promoted within an institution or organization. Going further into this issue and taking into account the fact that even since year 1952 there were around 164 definitions, we shall present the components outlined by Huczynski and Buchanan:

- Slogans: they are ideas that highlight the company's current activity; they change periodically (Huczynski, A. Buchanan, D., 2001);
- Symbols - are a sign that suggests one of the company’s goals (Huczynski, A. Buchanan, D., 2001);
- Artefacts or building designs – are issues whereby the organization is individualized in the view of the public opinion (Huczynski, A. Buchanan, D., 2001);
- The language or technical vocabulary (Huczynski, A. Buchanan, D., 2001);
- Myths and heroes from the history of the organization, which enable the exemplification of the values that actually define the organizational culture (Huczynski, A. Buchanan, D., 2001);
- Rituals from the organization’s activity, which involve incorporating the elements of the organizational culture in the employees’ thinking and behaviour (Huczynski, A. Buchanan, D., 2001);
- The values, which are the essential component of the organizational culture and influence the firm's view regarding business ethics (Huczynski, A. Buchanan, D., 2001);

Since the values are the most important aspects of the organizational culture, one must note that they are strategic doctrines that are stable over time; they are the basis for the assessment of the organization’s members, whereby situations, objects and people are being assessed (Domínguez Silva, L. Rodríguez Domínguez, B.B., Navarro Domínguez, J.A., 2009). Luminita Oprea believes that each organization must first determine the values that guide the company's existence. In this respect, each organization must:

- Focus on the individuals in the organization (Oprea, L., 2005);
- Build a corporate conceptual legacy, by integrating ethics into the learning and training process (Oprea, L., 2005);
- Put employees first (Oprea, L., 2005);
- Know the communities where it carries out its activities (Oprea, L., 2005);
- Develop a system whereby the debates remain transparent (Oprea, L., 2005);
- Form wise partnerships (Oprea, L., 2005);
- Measure the impact of its activity (Oprea, L., 2005);
- Report the obtained results inside and outside the company (Oprea, L., 2005).

There are several differences between the organizational culture and the organizational climate, which refer to the social context that influences the internal and external adaptation, the nature of the phenomena and the holistic nature of the phenomena (Năstase, M., 2004). The cultural phenomena that occur within the organization are related, on the one hand, to the national and local culture, and on the other hand to the professional communication and the practices promoted by the members of the organization (State, O., 2004). We believe that the analysis of the organizational culture is extremely important, given that there are a lot of factors, including the political, geographic and economic factors, which may adversely affect the activity of the
firms, thus generating deficit and implicitly huge losses. A strong organizational culture together with organizational ethics can make the difference between performance at enterprise level and the optimum climate for achieving the goals.

Besides these aspects, one must take into account the fact that the development of techniques and technologies also involved the emergence of several problems related to the image of the organizations. Because the mass media daily broadcasts news and events regarding the unethical behaviour and the lack of transparency of the companies, the development and penetration within the international markets has become increasingly difficult. We are stating this in the context where the legislation changes every day and adapting to the customer needs can be difficult especially since certain products are often substituted with cheaper ones. Hence, the fact that organizations must strictly relate to the requirements of the consumers, through a strong organizational culture, based on professionalism and transparency.

Our suggestion regarding the organizational culture refers to the fact that the issues related to the applicability of the ethical laws are both theoretical and practical given that, once the consumer requirements have been identified, the respect for the consumer and implicitly for the company must evolve in predictable directions. Taking into account the fact that every company must face various changes, the analysts in the field of organizational culture are focusing increasingly more on the organizational diagnosis. The organizational diagnosis should be determined not only in crisis situations, but also in those periods when the company is profitable, since it helps identify the appropriate actions in accordance with the requirements of the market where they are competing.

III. CORPORATE RESPONSIBILITY

Reputation is considered the image that the society perceives regarding a company or organization. Reputation is closely related to the trust capital granted to the business partners and to the social sphere in general. Building a solid reputation can be achieved through socially responsible actions (Sandu, A., 2009), since moral behaviour is considered one of the main strategies of the company within the markets. Nowadays the focus is laid increasingly more on the social and environmental aspects; this is why most speeches and public debates refer to these issues.

The concept of corporate social responsibility arose as a result of several economic practices that affected the social sphere; they thought that the absence of a legal framework allowed for the violation of the moral norms. In the developed countries, where there are legal norms, companies and organizations comply with them; however, in some developing countries the legal framework allows the performance of fraudulent or at least immoral actions. Today, social responsibility (Sandu, A., 2012) is based on elements such as transparency, orientation towards innovation, broad vision, verifiability and continuous improvement (Moneva, J., 2005); it is believed that socially responsible behaviour is measured through the sustainability of the organizations’ activities.

The social responsibility of the firms involves a new model of productive relationships, interconnections between the public and private strategies, and involvement of the various agents within the socioeconomic system (Perez Gonzales, M.C., Blanco Canto, M., Tocino, M., 2013). Responsibility involves an internal and external compromise; for this reason, as an element of continuous improvement within the organizational dynamics, adapting to the endogenous factors and agents is essential. The evolution of corporate social responsibility involves social marketing issues, and a new management area within the company’s organization chart.

Talking about corporate social responsibility involves several aspects:
- Responsibility towards the legal framework
- Responsibility towards the environment
- Responsibility towards the human rights
- Responsibility towards the profession
- Responsibility towards the organization the individual belongs to
- Responsibility towards the future of the planet and the generations to come
- Responsibility towards one’s own actions, towards one’s own person.

Besides these aspects, one must take into account the values such as: equity, respect, honesty and integrity. Researchers in the field believe that CSR is voluntary and involves creating long term relationships with the market and the social environment so as to ensure economic prosperity and the improvement of social cohesion (Hristea, A.M., 2011). Because there is no universally accepted definition of the corporate social responsibility, specific literature provides a wide range of terms that could amount to this concept: on the one hand, we talk about corporate responsibility and corporate governance and, on the other hand, about responsible entrepreneurship and corporate citizenship (Barbu, I.A., Chirea, G., Constantinescu, L., 2011, apud Grigore, G., Grigore, Ghe, 2009).
Given that it has become increasingly difficult for companies and organizations to enter the market and remain there, corporate responsibility faces a number of difficulties especially on the part of the firms: on the one hand, the issue of obtaining profit is raised, and on the other hand, the issue of resisting on the market in the context of fierce competition. Maxim, A. identified several obstacles regarding the orientation towards responsible behaviour:

- Adapting to CSR requires continuous efforts and adaptations
- A steep learning curve
- Difficulties in terms of getting help
- CSR is a complex area, with social, environmental and economic impact and influences
- The boundaries are not clear
- There are difficulties in terms of establishing a credible and effective CSR approach
- The time required for CSR activities
- The CSR language must be materialized especially when it comes to SMEs (Maxim, A., 2006)

The analysis conducted during this study led to the conclusion that the firm’s social responsibility and the organizational culture complement each other; thus, we can talk about creating a positive image of the organization within the society. Promoting an ethical company that provides respect and trust both for the business partners as well as for the employees is the key to profitability and sustainability over time. In the context of fierce competition and ever-changing needs, the only aspect that should remain permanent in business is ethics. Given the postmodern condition of our society (Guliciuc, V., 2014), responsible behaviour and ethics in business relationships involve transparency and internal and external compromise.

For this reason, we believe that before talking about the financial issues, we should talk about internal and external compromise, ethical behaviour and responsibility for the actions undertaken. A responsible organization aims at maximizing the profit only through a type of behaviour that highlights the social value. Social responsibility as a part of the organizational culture and the business strategies is closely related to justice and the way organizations act.

The business environment can often bear changes and therefore the actions should be based on social dialogue. One of the constant concerns of the companies and organizations is the level of consumer satisfaction. Investigations must take into account the quality-price ratio, the geographic area and the type of customers. Involving the organizations in this type of activities requires focusing on the business partners, since creating benefits for all the parties involved may entail their satisfaction.

IV. CORPORATE CULTURE AND THE COMPETITIVE ENVIRONMENT

Within a constantly changing society, a strong corporate culture that integrates ethics in all its activities is essential. We are stating this because the focus is often laid on obtaining profit, not on the values that should lead the organization towards success over a long period of time, while at company level the employee’s commitment and loyalty towards the company start to fall after less than six months from the date of employment, and after maximum two years many employees start considering the possibility of changing the job (Rogojanu, A., Badea, L., 2009).

This happens most often due to lack of values, the lack of motivation and implicitly the lack of performance, since a drop in the company’s revenues that is visible to the employees may reduce their efficiency. Development and performance are extremely important, especially for start-up companies, and the entrepreneurs’ perception regarding the business environment includes, among others, the ability to solve problems (Niculescu, O., Niculescu, C., 2013). However, when it comes to competition, we must keep in mind the fact that the human resources make the difference between success and failure because:

- Commercials are made by PR specialists – thus, human resources
- Sales are made by sales specialists - thus, human resources
- Purchases are made by the purchasing department, which is composed of human resources, etc.

In this context, if all the activities of a firm or organization are undertaken by the available human resources, then they need to be trained so as to reach maximum efficiency in all the activities they conduct. For this reason, ethical and deontological codes, such as the codes of: public notaries, architects, doctors and academics prevent and combat unfair practices, promoting equitable, fair and honest actions (Ioncićă, M., Petrescu, E.C., Ioncićă, D., 2008). Rogojanu A and Badea L believe that a clear philosophy is a very important element that eases the decision-making process, since it guides all the firm’s actions in the market in order to beat the competitors (Rogojanu, A., Badea, L., 2009). Therefore, human resource management must become a strategic function of the company, as important as finance or marketing, since responsibility is the key value (Niculescu, N., 2006). In addition, the ethical value is given by the way the company promotes the ethical values, given that moral behaviour is only possible in a free society (Trifu, A., Terec-Vlad, L., 2013). We believe
that the strategies of the organizations must comply with the requirements of the business partners in order to build sustainable businesses that lead to obtaining benefits such as: trust capital, motivation of the human resources, market share increase, etc. Since our society aims to obtain maximum benefits in exchange for as small payments as possible, the dilemmas of the managers regard choosing the most appropriate strategy, which ensures the sustainability of the business (Ganescu, MC, 2012):

- Social and societal strategies
- Ecological and environmental strategies
- Responsible distribution and supply strategies
- Corporate image creation strategies
- Strategies for obtaining competitive advantages
- Strategies for obtaining added value (Ganescu, MC, 2012)

In our opinion, they can be built only through a strong organizational culture that ensures ethics and communication within these strategies and implicitly the responsibility in the organization's internal and external environment. Regarding communication, it plays an extremely important role in solving the conflicts, because it can increase the understanding and reduce the risk of jumping to conclusions or making generalizations (Hener, G., 2010). On the other hand, nowadays we need moral education and reflexive thinking in the context of permanent changes at any level (Lenta, O., 2015), as well as methodologies and pragmatic strategies within the learning process (Eși, M.C., Posteucă, N.L., 2014).

V. CONCLUSIONS

The aim of this paper was to emphasize the importance of organizational culture in a society which focuses increasingly more on ethics and responsibility. If until recently the focus was laid on profit, lately corporate responsibility towards the business partners, the environment, the consumers, etc. has become a largely talked about issue. We thought it would be appropriate to analyze these aspects not only because organizational culture is a key element, but also because promoting an ethical company can ensure the well-needed trust capital in a constantly changing society.

A good reputation can be built only through socially responsible actions, since moral behaviour is considered one of the main strategies of the company within the markets. We also thought it would be appropriate to bring into question the importance of the human resources within organizations, since they represent the engine of the economic activities and we may say that they can make the difference between success and failure in business. In this context, the motivation of the human resources and a strong organizational culture are key elements that every firm should take into account if it also aims at sustainability over time besides obtaining profit. Social responsibility and internal and external compromise are elements of continuous improvement within the organizational dynamics; therefore, the evolution of corporate social responsibility involves creating a new management area within the firm’s organization chart.

We thought it would be appropriate to bring these issues under discussion since the legal framework of our country, as well as the heavy fees and taxes often do not provide any other alternative but the attempt to obtain short-term benefits. However, we believe that the real benefits can be obtained based on the trust capital that the company or organization provides for the business partners. Trust capital implicitly leads to obtaining profit for extended periods of time; for this reason, the change in mentality should be as fast as possible in order to ensure the financial benefits expected by the entrepreneurs.
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