THE EFFECT OF ETHICS ON MANAGEMENT AND ETHICAL DILEMMAS ENCOUNTERED IN ENTERPRISES

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ABSTRACT

Enterprises should ensure the satisfaction and trust of the customers, partners, employees, suppliers, public and all stakeholders in order to survive in today's competitive conditions. Being trustworthy is considered to be one of the most important requirements for the enterprise to reach its long-term goals. The way to ensure this condition is that enterprises adopt the behaviors and practices in accordance with ethical principles. Market conditions, globalization and increasingly internationalization of firms make it necessary to adopt ethical behavior in order to be successful. Ethics is a matter of discussion. The fact that this issue has two conflicting sides and the necessity of addressing these two sides while analyzing the problem has also revealed the concept of ethical dilemma, which is a matter of moral philosophy. Ethical dilemmas can occur if there are controversial truths on both sides of an event. Their definition is complex and difficult. In the literature, the concept of ethical dilemma has mostly been examined in the field of health sciences so far and the issue of ethical dilemmas in enterprises has not been adequately included. In the literature review of the ethical dilemma, it is seen that the ethical dilemma studies in the enterprises are mostly concentrated in the accounting field. In this study, the ethical dilemmas encountered in the business world are discussed from different perspectives with an emphasis on the concepts related to ethics and decision-making mechanisms.

Key Words: Ethics, ethical dilemma, business ethics, workplace morality

Jel Classification: M10,M12,M14

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ETİK KAVRAMININ İŞLETMELERE ETKİSİ VE İŞLETMELERDE KARŞILAŞILAN ETİK İKİLEMLER

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ÖZET

İşletmeler günümüz rekabet koşullarında ayakta durabilmek için müşterilerin, ortakların, çalışanların, tedarikçilerin, kamunun ve bütün paydaşlarının memnuniyetini ve güvenini sağlayabilmelidir. Güvenilir olmak işletmenin uzun vadeli hedeflerine ulaşabilmesi için gerekli en önemli koşullardan biri olarak görülür. Bu koşulun sağlanabilmesinin yolu işletmelerin etik ilkelere uygun davranış ve uygulamaları benimsemeleridir. Piyasa koşulları, küreselleşme ve firmaların giderek uluslararasılaşması da başarılı olmak için etik davranışları benimsemeyi gerekli hale getirmektedir. Etik konusu tartışmaya çok açık bir konu olmakla birlikte, konunun birbiriyle çatışan iki tarafının bulunması ve sorunu irdelerken bu iki tarafın da ele alınmasının gerekliliği aynı zamanda bir ahlak felsefesi konusu olan etik ikilem kavramını ortaya çıkarmıştır. Etik ikilemler, bir olayın birbiriyle ters düşen iki tarafında da tartışılabilir doğruların olması durumunda ortaya çıkabilmektedir. Tanımlanmaları karmaşık ve zordur. Literatürde etik ikilem kavramı çoğunlukla sağlık bilimleri alanında incelenmiş olmakla birlikte, işletmelerdeki etik ikilemler konusuna yazında yeterli olarak yer verilmemiştir. Etik ikilem konusunda yapılan yazın taramasında işletmelerdeki etik ikilem çalışmalarının da çoğunlukla muhasebe alanında yoğunlaşmış olduğu görülmektedir. Bu çalışmada, etik konusunun ilişkili olduğu kavramlar ve etik konusunda karar alma mekanizmaları üzerinde durularak, iş dünyasında karşılaşılan etik ikilemler farklı bakış açılarıyla ele alınmıştır.

Anahtar Kelimeler: Etik, etik ikilem, iş etiği, iş ahlakı

Jel Kodları: M10,M12,M14

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INTRODUCTION

Especially in today's challenging business conditions, increasing competition with globalization, and the development of information communication technologies have placed the customers at the focal point of the enterprises' activities. These conditions not only make it necessary for enterprises to meet the customers' needs in the best way, but also to be right and honest towards customers, not to be misleading and deceptive, not to discriminate, and not to abuse their power (Guler, 2014).

At this point, while evaluating the behaviors or practices according to their results define theological approach, the evaluation of the behaviors and practises based on the reasons without depending on the occuring results define the deontological approach (Blythe, 2001: 309).

Ethics is a set of values that propose to people what they should or should not do. It is possible to examine these values in four sets as duty, virtues, principles and interests of society. Duty is the expected behavior of the person occupied. Virtue is all of the features that define a good person. Principle is the basic principles that shape behaviors. The benefit of society is all kinds of action for the benefit of the general population (Svara, 2007: 10). When examined as a whole, these values determine the framework of ethical behavior.

Ethical principles emerge as a result of years of development and all individuals are responsible for reviewing the ethical values and behaviors in the workplace, in society and in the decision-making process. An important part of the social life in question is undoubtedly the business life. The concept that we face for this important element is business ethics. Business ethics is an attempt to describe right and wrong behavior in all areas of economic life and to reach general moral rules.

1. The notion of ethics

Ethics is derived from "ethos" which means character and habit (Torlak, 2001: 74). The English word "morality" is derived from the Latin word "moralis" which means good manners and traditions (Thompson, 1985:555). Ethics determines the appropriate and inappropriate behaviors of individuals by taking the view of society into account (Aydin, 2001:9). The concept of ethics has become extremely important at every stage of life as a result of the people living in the community from past to present and their interrelations which is improving and becoming more and more complex.

The ethical conception prevailing in society is in fact shaped by the value judgments produced by the dominant ideology. Ethical values that stand out with dual oppositions such as good, evil, honesty and deceit have different values in line with the ideology of the ruling class. For example, in a liberal system, entrepreneurship and profit are defined as positive values, while values of public entrepreneurship and public interest are highlighted in a socialist order. Therefore, the ethical conception of the classes that are decisive on the systems is different from each other. However, the dominant ideology that is centralized on a global scale with the contribution of today's communication facilities wishes to reduce the differences by dissolving the class values in micro context and local values in macro context by the means of mass culture. Thus, it is aimed to reveal a single type of human model in terms of consumption habits and political preference (Senturk and Ay, 2008).

The continuity of their activities and lives is the main purpose of the enterprises. In today's business world, the way to achieve this is not only to make profit, but to fulfill the social responsibilities of enterprises. In the 80s, the Watergate scandal and then the written and visual media heavily criticized the public and private enterprises due to their various unethical behaviors. Therefore, it had been observed that the development of institutions and organizations conscious of this subject in the 1980s and 90s was supported by the society, and the determination of the rules of business ethics and the control of its implementation gained importance. It was also seen that the limitations of the enterprises on certain issues were more beneficial than the laws and governments (Senturk, 2007).

At the same time, with the development of information technologies, information storage, intellectual property rights, virtual privacy, protection of employees' autonomy and privacy, harassment, occupational safety and marketing; the impact of the mental health of the society through advertisements, the discrimination caused by advertising messages, the misinformation of the consumer, the responsibility of the product, the responsibilities of the enterprises regarding the environment and ecology, etc. developments in the fields have revealed new ethical values. These new ethical values can, according to their place, present the blessing of the commodity, the ambition of gain, and the behaviors extending to profit at the expense of humanity and nature as acceptable behaviors (Senturk, 2010:166).

The change in the place and effects of organizations in societies in recent years and the increase in the expectations of the society have changed the view

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of ethical values. The reasons such as the unconditional obedience to the enterprises due to the future concerns of the employees who have career goals, the conditions created by the extreme competitive environment among the employees, the continuous change process in the economy restructuring the enterprises, changes in the number of employees and the quality of the organization according to the market conditions made the organizational structures more flexible and this issue affected the view of ethical values and applications (Senturk and Ay, 2008).

2. The notions related to ethics

The concept of ethics is associated with the concepts of ethics and law in the literature. While morality constitutes the working area of ethics, laws also describe the way in which ethical values in society penetrate into the legal field. Opinions on the subject are discussed in more detail below.

2.1. Relation of ethics and morality

Ethics is derived from "ethos", which means character and habit. The Latin word "moral" is derived from "mos" meaning justice, habit, character. In spite of etymological parallels and close proximity, there is a habit of using both "moral" and "ethic"terms interchangeably.

Even if they mean the same thing etymologically, morality is something that can be experienced factual and historical while ethics can be defined as a branch of science that examines how individuals should direct their individual and social relations, and what criteria can determine good and bad words and behavior.

Billington (1997) regards ethics as the theory of true or false behavior; he also considers morality as the practice. According to him, ethics is about the values that a person wants to express in a particular situation; morality can be accepted as a way of life. Pieper (1999) states that ethics should not be regarded as the same thing as practical morality and moral behavior. Morality was born before ethics. Because while morality evaluates and directs the ongoing human behavior of real life, ethics tries to obtain a general view on the nature of moral relations as a philosophical discipline.

In other words, ethics aims to reach ethical, grounded conclusions beyond the moral evaluation of existing behaviors. Hence, ethics has the intention of not transforming it into an ideology, nor bringing about a world view. The subject, that is, moral actions, is approached using a specific method. At this point, it is not just subjective, but it gives propositions that have objective validity, in other

words, that can be proved as inter-subjective (Pieper, 1999:17).

The reason why ethics and morality are not identical is that ethics is the subject of moral philosophy and morality is the research subject of ethics. Ethical theories express the views on the essence, origin and function of morality, as well as the necessities of living together, the norms and values of social life, the relationships between people and society, the purpose and meaning of individual life.

Morality determines the right and wrong about cultural values and ideals and how to behave accordingly. Morality includes the broad-based and non-written standards of how to be treated. Ethics is both based on more abstract concepts and tries to define what should be understood from these abstract concepts. The code of ethics is expected to include explicit and written rules for a specific area. The examples are; art ethics, medical ethics, legal ethics, ethics of education, environmental ethics, bioethics, media ethics, etc. Although there are common principles for these fields, they contain more specific principles. These principles are developed based on universally accepted concepts, not on the expectations of individuals who are expected to comply. Ethics also gives an important place to the concepts of justice, equality and compromise. However, many ethical problems also include moral problems.

There is a difference between morality and ethics in terms of wideness and narrowness, theory and practice. Morality as a discipline is a bundle of rules reflected in the practice of daily life of ethics. Morality is a system of values that exists in society and directs behaviors, attitudes and beliefs. Ethics requires more abstract and theoretical perspectives, while in practice morality considers how individuals should behave in daily life. According to Russell, ethics is the attempt of a community to adopt common wishes to individuals. In addition, ethics requires not only personal but also universal attention to some of the wishes of individuals (Aydin, 2001:7).

2.2. Relation of ethics and law

The criteria of the right and wrong or good and bad behavior of individuals and punishment of the bad-wrong behaviors are determined by the law. At this point, if the laws apply these regulations and sanctions, it can be questioned what kind of function ethics can have. However, the fields of law and ethics are different. Ethical rules are obtained from the field of ethics and laws are passed through the field of law. Bulbul (2001:15) summarizes the subtle differences between law and ethics as follows:

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1. Ethics is the spiritual rules that man feels compelled to obey. However, the law prefers to provide the social order in the life of society with compulsory rules.

2. Law provides some rights to the person as well as duties. However, ethics only carries out tasks but no rights are mentioned.

3. There is obligation to comply with the law. Sanctions are imposed on those who do not comply. However, ethics does not have coercion and sanction.

4. Law is more decisive and clearer than ethics. However, ethics lives in human consciousness and is closed to the outside.

5. The law is operational with many laws and rules.

Ethics determines the appropriate and inappropriate behaviors of individuals taking into account the perspective of society. Ethical principles emerge as a result of years of development. However, legal regulations usually take place after ethical discussions. As a result, after the ethical debates on a specific subject and focus on this issue, legal arrangements are introduced to resolve issues that lead to ethical problems. However, the point that should be considered here is that the ethical debates are not overlooked, even if they are not enacted. The evolution of the ethical debates is the process of reaching a consensus of individuals, organizations and society on an appropriate behavior. Because laws reflect the attitudes of the majority of society, and current ethical debates are a resource that future legislators can benefit from. In addition, all individuals are responsible for reviewing the ethical values and behaviors in the workplace, in the community and in the decision-making process (Aydin, 2001:9-10).

3. The notion of business ethics

When the business ethic is mentioned in the literature, work ethic and professional ethics are the first concepts that come to mind. In general, business ethics refers to an area that encompasses work ethics and professional ethics. Business ethics is an attempt to describe right and wrong behavior in all areas of economic life and to reach general moral rules. Professional ethics relates to the definition of the principles and rules within a profession. Work ethics also examines the values of the employees' working life and its development from the history to the present.

If an enterprise lacks in business ethics, it may face many management problems. These problems include (Sucu, 2003: 290; Ozkalp and Kirel, 2001: 614):

• Relationships with interest groups may deteriorate,

• It might be impossible to obtain resources regularly,in time, continuously and at low cost,

• Those who receive the products and / or services that are produced may quickly abstain from being buyers, as a result of which; sales may fall, customers may choose to do business with other companies, and orders may be reduced and, as a result, a reduction in profit may be seen,

• Decreasing social credibility after these activities may cause serious corporate damage,

• Lawsuits filed due to unethical practices and compensation to be paid may have a negative impact on the enterprise,

• Reduction of communication within the organization may lead to a decrease in self-esteem,

• There may be a decrease in the sense of commitment and this may result in increased turnover and lack of motivation.

3.1. Workplace morality

When the workplace morality is mentioned, the attitudes towards working and workplace in a society and the values in this regard are understood. The attitude of a society towards work can vary in another society. The concept of work does not only cover the works done to provide a livelihood for a specific fee. The study is generally defined as the action and effort that a person shows when producing a product or service that a person or other people will benefit from.

Workplace morality is a concept of the modern age. The workplace has gained a central importance in social life in parallel with the process of industrialization in the modern age. The work for the people of the pre-industrial society was a process made for livelihood. The realization of the working in the public sphere is a product of the modern age. Parallel to the development of capitalism, social relations have been formalized in the working life, and bureaucratic bases and orders arranged according to rational principles have been dominant.

From the emergence of organized life and division of labour to the present, the concept and conditions of work and the way people see the work life have constantly changed. In today's post-industrial transformation process,

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rationalization, which has become the symbol of industrial societies and has made itself known in all areas of society, puritan values such as controlling their desires in this world and working hard, have started to lose their functionality. According to Bozkurt (2000), a new type of approach emerges with hedonist / narcissistic characteristics, which imposes to cherish life. Perhaps the best example of this reality is the Enron event in 2001 in America. This company, which acted only with its managers' impulse of profit, is the most striking example of the deterioration that exists in the working life. It led to major corruption and unfair gains in the country, and kept its current situation for a certain period of time by sharing the high profits gained through the monopolistic structure and stock manipulation with the control mechanisms and employees around him.

For example, this company took the monopoly of electricity production and distribution of the state of California, caused electricity prices to rise by the means of artificial power cuts, while selling state electricity to different regions and earning billions of dollars by using this advantage on power exchange. As a result, the company's games were revealed and a world-renowned financial audit company like Arthur Andersen caused it to sink. As a result of bankruptcy, employees were deprived of many personal rights and also became criminals because they ignored some facts due to their high earnings.

The values that make up capitalism have changed in postmodern society, resolving and consumer society has been formed. Puritan values have lost their legitimacy. The globalization or post-industrial era does not have the past human or morality. The new age does not need hard work and labor force much (Bozkurt, 2000: 175). This situation creates a comfortable and flexible working profile that likes to be independent in community rules. The concept of working and achieving has been replaced by the philosophy of "live now, pay later". There is no limit in the desires of these individuals, they do not feel guilty.

Capitalism has transformed the values of puritanism such as mass production, mass consumption, work and accomplishment into hedonistic values such as how to spend and how to enjoy. Today, there is a transition from the working society to the leisure community. In this context, it is necessary to create new business ethics, working concepts and to balance the hedonist approach, and comply with changing conditions and norms.

3.2. Professional morality

An individual's profession is his/her working in order to maintain his / her life. Today, economic activities have many occupations within them.

Systematicization of economic life, having an ethical understanding and sustaining it, and the survival of individuals in a moral gap is very important. There should be rules that clearly express the responsibilities and obligations of the business partners. Morality cannot spontaneously be born and grow. Morality is the work of the group that will apply morality (Durkheim, 1949:24). The poverty in the ethic values harms the unity of the group and becomes the cause of the group's disintegration. For this reason, the real medicine of the disease in the economic environment is to comprehend these values.

Every social group, whether large or narrow, needs a specific moral discipline. Individuals do not notice or reluctantly notice social interests. Because social interests are beyond his personal interests. The discipline consists of rules that provide the individual with the consciousness of being collective and is inevitable for the continuation and survival of the social system. However, if the rules do not show the work to be done in order to achieve collective goals, the individual's resistance to society cannot be prevented. According to Durkheim (1949), the social life is, above all, a collection of harmonized labor, the unification of ideas and wills around the same goal. For this purpose, it is possible to say that the ethics rules which are shaped around the professional ethics and which also carry out the collective aims have a very important place in economic life.

It is impossible to talk about the morality of every profession separately. Common values can be emphasized and summarized at two points;

1) General characteristics of professional morality,

2) Requirements for the protection and processing of professional morality in all areas.

There are moral rules representing the whole profession. It can be said that there are so many different occupations. They may not even be different, they may even fall into contradiction. For example; The duties of a doctor are different with the duties of the trader. Sometimes doctors may have to hide the fact that they know it.

The distinctive feature of professional morality is the indifference of the public conscience to it. The error in carrying out an Professional duty is not criticized outside the occupation environment. Because everyone may not know exactly what their responsibilities are. For example; acting in a way that weakens the credit worthiness in trade and industry damages reputation. In another environment, while the professional crimes affect public conscience, its importance varies according to the severity of the crimes.

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Over time, professions are changing due to cultural, scientific, economic and technological developments. The fact that most of the society is not interested in professional morality has necessitated the organization of a group of professions that will create and ensure the functioning of the professional morality in the society. The separation of professions according to their functions leads to the emergence of multifaceted morality.

In order for the professional groups to achieve the dignity they deserve, they need to be managed, supervised and, where necessary, penal sanctions should be imposed. With the elimination of those who are acting in an unexpected way on their profession, the prestige of the remaining individuals will increase. However, a problem can also be encountered here. For example; the rules that the accountants must follow are the best way to do their job. But what is an accountant supposed to do if his colleagues in the company lose these powers or do not perform their work with sufficient care? Will he have to be silent because of his commitment to his colleagues? Or what will an accountant do if his competitors don't do their job well? If he explains such a situation, he may act in terms of unfair competition. So is he supposed to be silent? (Mugan, 1999:10). These questions and similar questions can be discussed.

According to Mugan (1999), the more well organized a professional body is, the more effective the ethical controls on conscience are. And most importantly, professional ethics will develop and be respected. In some professions, for example, this phenomenon can be observed in armed forces in our country.

Image and reputation management is not something that can be done directly. Because the reputation of the institution or firm is an evaluation that is gained or lost as a result of continuous relations. This evaluation is made by the individiuals. In this process, the mind of the people can be filled with false fictions, hidden truths that are not told, satisfaction and habits based on false information and positive images that support them from the very beginning (Senturk, 2008).

An ethical discipline can not be established if there is no fixed boundary between right and wrong, and success can make unethical actions forgiven. The lack of any economic discipline shows its impact beyond economic life, and as a result, the scale of collapse in the societal morality becomes large.

Economic life's being away from ethical values poses danger to public life. In order for ensuring the sense of responsibility, the value must be persistently

kept awake. This can only be achieved by the presence of an organized group that reminds responsibilities.

4. Ethical decision making models in enterprises

Within the framework of the concept of business ethics, there are some propositions for enterprises to take ethical decisions. Enterprises cannot be isolated from individuals. In this context, businesses cannot decide independently of individuals. Therefore, if it is mentioned that an ethical decision is made in an enterprise, it means that the managers of the enterprise make an ethical decision.

Many decision-making models have been proposed in the literature in order to help business executives to act in accordance with ethical principles in their decisions. These models are guiding the business managers to test the compliance of their decisions with the ethical principles and to gain the trust and respect of the society.

Schminke (1998) states that three approaches to ethical decision making emerge in the literature. The first focuses on the characteristics of the person making the decision. The latter takes into account the context in which the decision was taken. The third approach goes beyond the context of the person and the context and focuses on the characteristics of the ethical issue and the event.

Lazniack and Murphy proposed a questionnaire for examining the decision in terms of a number of dimensions based on ethics (Gummesson, 2000):

- Does the practice violate the law? (Legal Test)

- Does the practice contradict generally accepted morality? (Responsibility Test)

- Does the practice contradict some of the specific limitations of the marketing organization? (Special Limitations Test)

- Is the intent of the application harmful? (Motive Test)

- Is the practice capable of harming people or institutions? (Results test)

- Does the application have a satisfactory equivalent, producing equal or more benefits? (Utilitarian test)

- Does the application have a side that violates copyright, privacy rights, or non-transferable rights of consumers? (Rights test)

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▪ Does the practice reduce the welfare of other individuals or groups? Are these people or groups deprived of various rights? (Justice test)

Another one of the frameworks proposed for resolving the dilemmas is the Potter box model for ethical decision making. This model was suggested by Black (2003) for using in ethical decisions within the medical field. Then this model was developed for other disciplines such as business, media, social work, research, public service, etc.

The Poter box model offers six different points step by step:

- Define the dilemma (or the situation),
- Identify values,
- Develop an accountability system (establishing principles),
- Compare the alternatives,
- Implement the decisions,
- Monitor the consequences and develop a policy.

Another survey of ethics and workplace conducted by Deloitte & Touche in 2007 identifies the following five key factors in promoting an ethical workplace (Tota and Shehu, 2012: 557).

Behavior of management (42%)

 Behavior of direct supervisor (35%)

Positive reinforcement for ethical behavior (30%)

Compensation, including salary and bonus (29%)

Behavior of peers (23%)

5. Ethical dilemmas encountered in enterprises

The ethical dilemma arises when a subject has conflicting conflicts, but the two sides have the right sides to discuss. The common theme in a moral dilemma is the conflict between the truths of two or more groups of people (Torlak, 2001:123-124). In such a situation, there are significant value conflicts among different interest groups and at the same time, the alternatives seem to be equally judiciable (Banik, 2010).

From another perspective, an ethical dilemma is a conflict between at least two ethical principles both of which could lead to an equally good or equally bad outcome. In such a situation, obeying one principle leads to transgressing another, whereas both principles seem equally valid (Tota and Shehu, 2012, 557).

Business life brings many ethical conflicts which are in its nature. In general, ethical dilemmas that arise within the enterprise arise from differences between individuals' personal moral values, professional values and organizational ethical values. The ethical issues that may arise from any point of view can be grouped under four headings. These headings include (Aydemir, 2003:35);

• The enterprise's links with interest groups and other relationship groups,

• Issues such as environmental health, welfare of employees, use of natural resources, social purposes of the products that may arise from the goods and services produced by the enterprise,

• Compliance with the values of integrity, honesty, sacrifice and openness that show that moral attitudes are aware of the actions,

• Misinterpretation of the differences between employees such as power, wage and race.

According to another view, the reasons of the ethical problems (as mentioned above) encountered in the enterprises (Aydemir, 2003);

• Prioritizing personal interests,

• Differences between individual values and business objectives, conflicts,

• Values and attitudes of managers,

• Fast competition conditions,

• Different cultural structures in enterprises.

The ethical problems encountered in enterprises are undoubtedly diverse. In a study on this subject, more than 80% of the respondents placed the "employees' conflicts of interest" and "bribery" in the first two places among the ethical problems facing the enterprises. Another study is about the areas in which unethical behavior occurs most. According to the findings of this research, the order is as follows (Weiss, 1998:8):

State Administration (66%),

Sales (51%),

Law (40%),

Media (38%),

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Finance (33%),

Medicine (21%),

Banking (18%),

Production (14%).

In Turkey, a study on this subject was published in 1999. In this study, which was attended by 160 executives from 20 enterprises, all of the executives placed environmental pollution, engaging insider information and giving gift / bribe in the top three in the order of unethical behaviors (Ekin and Tezolmez, 1999:28).

Gruys (1999) identified 87 different unethical behaviors based on the studies in the literature and identified 11 unethical behavior categories using rational ranking and factor analysis techniques. These are:

• Theft and similar behaviors (stealing money and goods, giving gifts and services, misuse of the discount for employees),

• Damage to property (destruction, damage, destruction of goods, production undermining),

• Abuse of time and resources (wasting time, changing the information on the payroll card, dealing with special tasks at runtime),

• Non-compliance with security (non-compliance with security measures, failure to learn security measures),

• Inadequacy to continue work (absenteeism or delayed absence, abuse of sick leave),

• Low operating quality (deliberately slow or sloppy operation),

• Use of alcohol (use of alcohol, coming to work as drunk),

• Drug use (at work, possession and use of drugs),

• Explaining inappropriate words (discussion with customers, verbal harassment of colleagues),

• Improper physical behavior (physical assault by colleagues, physical sexual harassment by colleagues).

5.1 Ethical issues caused by the conflict of interest in enterprises

It is possible to examine ethical issues according to the conflicts of interest under three headings. These are briefly examined below.

5.1.1 Ethical issues caused by the conflict of interest at the personal-organizational level

The first dimension of the ethical conflict is the conflict at the personal-organizational level. This form of conflict is seen when there is a difference between the individual ethic values of a person and the ethical values of the organization and others within the organization. For example, a person may oppose the publication of a product produced by his firm in Playboy and Penthouse magazines in terms of their ethical values. However, business policy may require this. In this example, organizational values directly conflict with the individual's personal values (Ferrel and Fraderick, 1994: 157). An individual (or manager) in this situation experiences a dilemma between individual ethical values and organizational ethical values.

In conclusion, it is possible to say that personal values are not universal and the fact that everyone's ethical values are different is natural. Therefore, adaptation to organizational ethical values established in an organization raises a problem of preference. Another reason for the conflict at the individual-organizational level is that the employees are more concerned with the environment, especially due to the changing technology in recent years. Now, the expectations of the employees from the managers are different. Employees express their demands for a work environment that provides job security. In addition, they are more sensitive about their rights such as free speech in the workplace and privacy, and they may be in conflict with their organization (and therefore with their managers). Many believe that behaviors outside their working hours do not concern managers, whereas tests that measure drinking and alcohol use restrict personal privacy. However, free speech, from the perspective of managers, means that employees leak out business information. It also means that, due to its illegal or unethical conduct, it should be reported to the government by non-organizational groups. In a clearer way, the right of the employees to speak freely is a notice or a sneak for the managers (Ferrel and Fraderich, 1994: 151). As a matter of fact, it is understood from the studies conducted that the most conflict is experienced in this field. Thus, tensions are observed in the enterprises. In a study conducted, managers were examined in terms of the origins of the conflict (Vitell and Festervand, 1987: 114).

In order to avoid a conflict of interest, individual interests of individuals and business interests need to be separated. In general, therefore, it is accepted

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unethical that managers and employees receive bribes, accept personal payments and receive gifts.

In the study conducted by Kutlu (2008) in Kars and Erzurum where the professional accountants had an ethical dilemma, it was determined that the occupational members experienced ethical dilemma depending on factors such as income, age and customer loss. In addition to having more ethical dilemma, low-income and older members have been found to pay more attention to ethical values in the study than those who have received lower-level education in terms of education level factor (Dastan et al., 2015: 63).

Examples such as bribery, nepotism and embezzlement of business funds can be given as an example to the ethical problems resulting from the conflict at the individual-organizational level. All these behaviors are generally referred to as corruption. The concept of corruption makes humiliating connotations. The majority of those who are interested in this concept is consensus on the assumption that corruption hinders the future change and economic development of society. This kind of activities has increased with the view of corruption as a means of providing some interests (Aktan, 1994: 30).

5.1.2 Ethical issues caused by the conflict of interest in the personal-social level

The second dimension of the conflict of interest is the personal-social conflict. In this conflict, there is a difference between personal values and social values. People with different values from social values are sometimes referred to as deviant. If these people oppose the system of values, they can be pushed out of society, even in some cases legally charged and imprisoned. Because social values are often included in laws and regulations. If the community is legal, but believes that an action is unethical, it may also require that this behavior be identified illegally. Sometimes the different values of countries make the definition of unethical behavior more difficult (Ferrel and Fraderich, 1994:153). Consequently, an ethically validated behavior in a culture can be described as unethical in another country.

Ethical conflict can be experienced as a result of this difference in the personal and social level of ethical values which are a dimension of cultural values. On the other hand, some people argue that this ethical breakdown is due to the ethical degradation of social values rather than the values of individuals. According to this view, personal values are a part of social values. Therefore, if social values encourage a person to maximize his / her individual interests, that is, if he approves of selfishness, then individuals will accept the same values. It

will even reveal individuals who can sacrifice all society for their own benefit. In a country where being privileged is seen as a right, it is natural to see corruption (Kılıcbay, 1994: 25-27).   Therefore, first of all, it is necessary to question the social values and to explain the reasons of this deterioration. Briefly, the ethical conflict at the personal-social level stems from the difference in understanding between the two groups. As a result of the harmonization of both, it can be thought that this conflict will disappear. But since there will always be value differences, this conflict must also exist.

5.1.3 Ethical issues caused by the conflict of interest in the organizational-social level

The third dimension of the conflict of interest is the conflict at the organizational-social level. If the norms and values existing in an organization do not correspond to generally accepted values in society, a conflict occurs. In particular, an enterprise may oppose with the community while driving a new product to the market. Negative reactions to this product may occur in society. For example, it may prevent the production of an automobile. Because people who have adopted the traditional means of transport before the car may not want this production. Or, while any product is on advertisement, some groups in society may oppose it. Some groups may protest, for example, because alcohol, cigarettes, and drink advertisements are wrong. On the other hand, some examples of vegetarian and environmentalist protest are examples of this. This conflict is basically an ethical conflict between the organization and society. There are three options in front of an enterprise facing such a situation. The enterprise will either struggle with the society or give up or sell with this group (Ferrel and Fraderich, 1994: 151). In practice, more consensus is observed.

CONCLUSION

As a result, the most common cause of ethical problems in business is conflict of interests that arise in business life. Ethical problems resulting from conflicts of interest damage the image of the enterprise and negatively affect its position in the market. In other words, ethical problems arise as a result of the conflict between individuals' ethical values and the values of organizations and society. So basically there is actually an ethical conflict.

In order to minimize the ethical problems in the enterprises, these conflicts of interest should be analyzed and resolved accordingly. Therefore, it is necessary to formulate business policies in a way that minimizes these conflicts of interest

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and to implement these policies rigorously. As a result of this, ethical problems will be reduced to the lowest level.

The ethical problems encountered in the enterprises are undoubtedly diverse and it is seen that the ethical conflicts are generally arising from the business relations and practices. Individuals may take unethical decisions deliberately or not. In order to avoid unethical behaviors of individuals, it is useful to determine the ethical principles that will guide them in the decision-making process. The ethical dilemmas that will emerge through these principles, which will be guided by the enterprises, will also be overcome with less damage.

In this sense, it is of vital importance that companies develop sensitivity about ethics and draw a roadmap for their employees, social acceptance of companies and image configuration. In the current economic system, it is a fact that the interest of the enterprises in ethics provides concrete gains to the enterprise through the consumers. However, firms use this situation for profitability and they can even take an opportunistic approach to ethics. Based on the fact that enterprises cannot live without profit in capitalist societies, enterprises use ethics as a means of competitive advantage.

All actors (government, non-governmental organizations, corporations, media, individuals, etc.) have a duty to maintain and increase the consistency in the relationship between speech and action. Lack of value and poverty are increasingly becoming an important problem. Ethical effectiveness is only possible with the joint efforts and contributions of social actors.

As a result, we can suggest that the enterprises that claim to have ethical values should respect a minimum of some ethical principles. The first and most important one is the transparency. Obtaining accurate information about the actions and operations of the enterprises has a key importance in evaluating the actions and discourses of these enterprises.

In fact the ethical nature requires a voluntary compliance. Ethics is the principle of acting principally. In the words of La Rouchefaucauld, ethics is the act of performing without witness what one might be capable of doing before all the world.

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