Managers' Perceptions of Ethics in Small and Medium Businesses in Iran

SOHEILA DAROUIAN

Lecturer in Department of Accounting, Management and Accounting Faculty
Yadegar Emam (Shahre E Ray) Branch, Islamic Azad University, Tehran, Iran.
Email: darouian82@gmail.com

JAMSHID SALEHI SADAGHIANI

Professor in Industry Management, Allameh Tabataba'i University, Tehran, Iran

PANTEA SALEHI SADAGHIANI

M.A Student in Business Management, Islamic Azad University, Ghazvin Branch, Ghazvin, Iran

Abstract

In today's complex world, speed of innovation and theories of human development is very high and every day many styles, methods and techniques in any field of science shows and important factor that maintains the procedures is ethical framework and human principles that makes survival and determine different theory. Thus, the aim of this study is intended manager' perceptions of professional ethics in small and medium businesses. This study uses two methods to collect library records for collecting history of research and the questionnaire has been implemented. The statistical community is managers of small and medium businesses in Tehran Shams Abad Industrial Town, that number 150 were determined by using cluster sampling, Questionnaire has twenty questions about the research variables. Data from the questionnaire were analyzed by using analysis of variances. Among the hypotheses in this study assessed the hypothesis that a significant difference between managers' perceptions of professional ethics in the age group lost the rest of the assumptions of ethical perceptions of professional managers with different educational levels, number of employees, work history directors, management levels and types of business activity was not confirmed. In conclusion, using the assumptions and conformity assessment organizations with similar organization and opinions in this field, a recommendation for improving this situation was expressed with using experts and managers. Hope that this research and its results increasing perceptions and principles of morality in Iranian organizations.

Key Words: Professional Ethics, Small and Medium Businesses, Social Responsibility, Morality Chart.

Introduction

Era & today's world, is a complex world with Knowledge & technology & different tools that management science is not separate from this world. The new management theories are seen every day brings new solutions for improving management performance and makes more effectiveness of most organizations provide. All these areas often have roots in political and economic principles and their most aim is to have more profitability organizational benefits. But the fact is that in recent decades another aspect of organizational tasks has an important role and that is, Social and ethical organization the definition of ethics is all attributes that base on good task or improper task .whether those attributes are stable or whether they are unstable. Today Topics of ethics and professional organization has an important role in the world. So ethics and related topics to it such as justice, equity, commitment and individual rights have an important role in any organization. Managers and organizations staff for doingCorporate Affairs needs a collection of

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ethic guidance that helps them in their tasks & organizational duty & makes a possibility for Coordination and precedents. Because today one of the criteria for evaluating organization is ethics topic(1).

In addition to such conditions and with a strong emphasis on morality and ethics in various religions and especially Islam, it seems that it is necessary to observe and focus on the ethical principles which can help organization to do their performances .so with considering on these principles in organizations and business in Iran, we can Institutional these ethic principles in business and make a ethical society in the global & international world. Nevertheless mention some scientific definitions of important variables in this study including(5): Morality, organizational ethic, professional ethic & small & medium business that has important role in doing project .1- morality: are those behaviors that consistent with 3 ethical patterns (benefit seeking , right, justice) and totally it means use benefit, rights & justice in their thoughts. So morality at organization mostly defined as a welcome promises, Covenant promises with the customer, be on time at work place, speed at doing customers work, be respectful with customers & ……Morality chart**:** official instruction that is expressed ethical rules that guide individual behavior directly with the help of posture(2) .

Organization ethic: those behavior that according to 3 ethic patterns (benefit, rights, justice) .morality chart**,** a document with an ethic criteria that use for coordinating and help them to achieve organization goal .humans are different and have different view, so if we want to make them to one view we need a pattern that it is defined morality chart organization **.**Professional ethics is **:** principle & ethical criteria that design by organization & all members of organization have to respect to these principles.

Small & medium business: according to Ministry of Labor and Social Affairs, all business (such as companies, factories, institutions) with any duty (commercial, industrial) That has less than 500 members are including small & medium business.

In this study, too much research has been done in various countries that point to some of them ; However, because this topic is new, especially in Iran, many studies has not been done and in this area , but some international researches about it are : one Research that has been done in 1996 in St. Louis School that focuses on ethics principles in globalization and international markets . Result of it is do ethic principle in host country. Research that has been done in 1999 in Turkey that focus on ethic at business. In this research deference between Ethical perceptions & age, education, sexuality, kind of industry, size of company is considered. Effective of which of them is measured and result of it is written in this research(3). Research that, has been done among managers, supervisors & sellers in South Africa in 1999. find some different between ethical perceptions of managers, supervisors & sellers.

Research that has been done at Stambole University in 2002 that is about ethical values of professors of university. Results of this research are: attitude of this university professor abut ethical topics are: provide financial interest because of mark, Confuse the results with the distortion of research data, point to Personal trips, Provide much support to falsify documents in which research is carried out with financial support, using others research without their permission, show more trip's expense than reality that supported by university, make a topics that are at beginning of the ethical topics(4). Another research that has been done considered on identifying ills & obstacles that can destroy base of government and can encounter society with serious crisis.

Research that has been done for ethics organization in Islamic Azad University, (10)results of this research is for improving government performance. So The main objective of this study is to provide a suitable answer to this question that, is there a significant difference between the ethical perceptions of managers on several variables including age, type of business and management level of monthly & income?(5) . If the answer is positive what is the contribution of each variable. This research try to a find a results of research about manager's ethics in small & medium business in Iran, to recommend some offer for improving conditions.

Method

This research is Fundamental research that has been done by measure method & for collecting data used these methods:

1- Books, journals & previous research
2-distribute Questionnaire. Era of research is among of companies & factories in Shams Abad (Industry City in Tehran).

Statistical Society is managers of companies & factories in Shams Abad at spring & summer 1388. For choosing people use Cluster sampling that according to 600 factories, sampling cluster formula was used.

According to pointed method we found 15 people & for increasing Accuracy we use number 50 for evaluation. Because sample was number 15 & Elements of each cluster equal to 3(number of manager) (15*3=45). In next level for determine independence test (because in this method number should be 50 or more than 59 so (45* 3 = 135) is intended. This test causes accuracy of sample and Minimum error. (It will be about 90 percent). So Questionnaire quantity that distributed for more accuracy is 150. Because Variable that we study on it is different at industries & factories, sampling was done with their size & sampling with simple random that method is used is cluster sampling with two levels. Some tools that we used in this research are questionnaire with 25 questions that scale of it is Likert scale .reliability is 85% that is acceptable & validity was measured by some professions that it is acceptable in their opinion. For analyzing data used Kruskal -wallis method & SPSS software. Of course because this kind of research is new, try to keep some information such as name Secret.

Results

Firs chart shows that average of professional ethic at metals department is less than other department and at IT department it is more than other. First chart shows that there is no any difference at professional ethic in different parts pointed industry.

Chart No.1: factories in terms of territory

Type of activity	Quantity of factory	Average	Ky2	d	SIG
1. Metal artifacts	20	83.80			
2. Non-metallic	33	64.45			
3. Plastic	12	87.42			
4. Metals	23	64.15			
5. Machinery & equipments	18	71	8.094	7	.324
6. Materials & production	9	64.28			
7. Compute	3	110.17			
8. Others	25	71.26			
Total: **143**					

Second chart shows that the Average of Perceptions of ethic is less than other at the age of 25 to 30 & after this average of less than 25 years old. Result of kruskal - Wallis test is shown in chart No. 2. That shows there is difference between variables.

Chart No. 2: Manager's Age

Age	Quantity	average	ky2	d	Sig
1. Less than 25	2	54.75			
2. 25 to 30	5	53.60			
3. 30 to 35	14	100.86			
4.35 to 40	61	77.78	13.132	4	.011
5. More than 40	61	61.67			
Total: **143**					

Chart No. 3 shows that average of Ethical perceptions of persons that have diploma is less than other. Results of Kruskal- Wallis test shows that there is not special difference at Ethical perceptions.

Chart No. 3: Manager's Education

Education	Quantity	Average	ky2	d	Sig
Primary or guidance	2	.50			
Diploma	111	69	1.700	2	.428
Bachelor of Science	30	80.62			
Total: **143**					

Chart No. 4 shows that average of business manager is more than other rate & after that is Middle manager and finally is shown business owner manager. Results of Kruskal -Wallis are shown at chart No. 4 that shows there is no special difference.

Chart No. 4: manager's Position

Position	Quantity	Average	ky2	d	sig
1. Bussiness owner	45	65.52			
2. Business manager	35	73.89	1.194	5	.551
3. Middle manager	63	73.39			
Total: 143					

Chart No. 5 shows that when age increase, ethic perception is increase too .chart No. 5 shows that there is no special difference between defined variables in industry.

Chart No. 5: Age of business activity

Age of activity	Quantity	Average	ky2	d	Sig
1. Less than 5 years	2	54.25			
2.5 to 10 years	48	79.34			
3. 10 to 15 years	56	73.30	4.935	3	.177
4. More than 25 years	37	59.84			
Total: 143					

Chart No. 6 shows that average of ethic perception in business that has more than 100 persons is more than other & after that it is business that have 50 to 100 persons .and average in business that have less than 20 person is less than other . Results of Kruskal- Wallis test is shown in chart No. 6. According to this chart there is not special difference at defended variable in industry.

Chart No. 6: Number of business

Number of person	quantity	average	ky2	d	Sig
1. 10 to 20	29	65.25			
2. 20 to 50	80	74.12			
3. 50 to 100	24	68.65	1.798	3	.615
4. More than 100	10	82.65			
Total: 143					

Discussion

According to results of this research, we try compare results of this research & research that done in 2002 In Turkey by "Taslak & Soner ".

Taslak & Soner research shows those business mangers that sold foods materials have more ethic perceptions than others (others like: wood, plastic, chemical products seller) & at our research also IT managers have more ethic perceptions than other.

Taslak & Soner research shows that when age of manager increase ethic commitment & ethic perceptions are increase, too. Also in our research this results is exactly like Talsak & Soner research, when manager's age increase ethnic perceptions are increase.

Taslak & Soner research shows that mangers that graduated from university have more ethic perceptions than others. This result is same as result and it means managers that have B.A degree have more ethic perceptions than others.

Taslak & Soner results shows Director of business owner have more ethic perception than other managers (such as excellent manager & middle manager). But in this research (chart No. 4) shows that middle manager has more ethic perceptions than others & after that it is director of business owner.

Taslak & Soner research shows that when the age of business increases, it makes a erosion analysis in ethic perceptions. In this research according to chart No. 5 .when the age of each activity increase, ethic perceptions decrease.

In terms of number of staff, Taslak & Soner research shows business that has more than 100 persons has less ethic perceptions than others, but in this research it shows that when the number of staff increase ethic perceptions increase, too.

Considering that the six hypotheses proposed one hypothesis confirmed, with a adaptive approach can conclude that this research and related questioner, because evaluated in other society and countries and have positive results, So the main reason for rejecting Assumptions is because the view of the thought of people that we gave a questioner to them (it means Shams Abad industrial complex) or maybe because of the kind of business in Iran , that there is no enough Recognition & necessary perceptions about manager's ethic, and lack of Morality charter in this complex that cause a lack of communication (positive or negative) between manager's ethic perceptions & education, number of staff, kind of activity , manager's level & working life and just between age & ethic perceptions has significant level that it maybe because of manager's high experience So for improving we discuss a bout disadvantage of lack of ethic perceptions in organization (that it is a result of this research), specially from manager, then we are going to say some recommendation for improving.

Roots of unethical behaviors are because of lack of clarity on ethical behavior, rules, politics, and policies of organization. Also, Nonconformity justice about staff has an important role in this field. Also, do not pay attention to roll of ethic among of organization in Iran transfer to society.

Procurement law and regulation, teach for improve ethic & legal behavior, regard and supporting ethic principles from managers, identify suitable Situations, identify talented people, encourage staffs that regard to rules help organization regards ethic.

Conclusion

In summary, Can be stated, results of this research after doing some statistical search, because of rejecting first and third & fourth & fifth & sixth Hypothesis, shows the minimum manager's knowledge abut ethic principle. While world of business is growing with rapid speed in order to ethic principle, and it is a competitive advantage in international world. In our country despite of emphasis on religion on this field and Necessity to enter in to global era, importance and priority of ethics be felt more than others time.

According to results of research, it shows that among of industry fields, according to kind of their activity and performance, can provide clarify principle for each branches of industry that this can be done by professional managers.

Also expected to have a clear framework from the Ministry of Industry and Mines, that industry complex are member of this ministry provide and announced to these departments, that departments with these frameworks provide a suitable pattern for their business.

- Training staff according to their age and their mature level.
- Distribute books that related to ethical (6).
- Today nearby ¾ of governmental, industrial & commercial organization in the world have ethical rules and most of them teach these rules to their staff. Although there are some evidence that shows that these programs because of many reasons such as ; culture of society, unusual groups,   Awareness of Managers of these programs &….Not fully effective but we can guess without these trainings some problems maybe happen for organization .

In statistical society, many managers have not any information about necessity of these training & ethic principle.
For improving ethical behavior in organization there are some suggestions:

A) Training in order to recognize of importance & necessity of regard to ethical in organization for managers & staffs.
B) Introduce Morality charter to Managers and human resource profession.
C) Training for recognize complexities & problems of unethical behavior.
D) Training for learning about how to use ethical frameworks 7 method of solves Problems.
E) Training for use ethical policy in human resource management.

These trainings should be providing with emphasis on Morality charter**.** Another goal of these trainings should be done for encourage managers, supervisors & staffs. Another way of training to staff is create suitable environments for minimize the unethical behavior. Excite a clarify rules, & solidarity culture, emphasis on religion are usefu (7).

Si finally we can train managers for know how use ethical criteria in human resource, that help them do not act base on their previous methods. Know Individual difference, ethical & cultural & encourage that staffs that do their duty base on rules & ethic.

In this training, Administrator managers should be a model for staff.

Holding conferences, & also holding training classes, introduce successful organization in this field with emphasis on Commands and Islamic Ethics; can help as suitable way in organization.

Introduce & training patterns & ethical theories in worldwide and adopt it   with organization & culture's condition, can be use as another way for providing Morality charter**.**

- Provide a morality charter that suitable for organization.
- Encourage staff for regarding to ethical staff.

One of the important enterprise for establishing morality & low's organization is provide morality charter (8). This charter provide in order to organization needs & activities & universal principles (9). This charter or rule should exactly recognize Organization's expectations and at the fist level of recruitment Manpower informed staff about these rules. This charter should be exposing to public view.

All manpower has to regard to do rules in their activity. Those staff that regard to these rules should be encouraged by manager. Also is they do not regard to rules some punish should be done (10).

Encourage and give a bonus to those staff that regard rules in organization can bring more motivation of these staff and also can motivate other staffs (11).

- Training managers & supervisors in all mangers' level.
- Clarifying & responsibilities and ethical principle.

Business world & organizations are growth with an unbelievable speed, because solution of many problems of economic are in focuses on ethical principle. So before any solution, Should be noted that this will not happen without supporting and coordinating government, managers & business owners. And the important one is to change culture of society that unfortunately   in recent years there is no positive process in this field because without cooperation of these groups, departments & environments Realization would not be possible while in individual, society & organization level.

Resources

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