

## Örgütsel Davranış Araştırmaları Dergisi

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# AN OVERVIEW OF THE CONCEPTS OF ETHICAL MANAGEMENT AND ETHICAL BEHAVIOR IN THE ORGANIZATION

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## ABSTRACT

An important challenge today is the focus of policies and management practices on the development of ethical values in all areas of organizational activities. Today, in management science, the discussion of human relationships is one of the most important issues, and ethical attainment at individual and organizational levels is one of the main goals of society and requires a strategic approach. With such an attitude, the organization's relationship with the environment will be the potential and definite opportunities for the organization, which will become a competitive advantage for the organization, based on the principles of widespread ethics. Therefore, today ethical riddles in organizations are interpreted from different dimensions and it is attempted to regulate the systematic frameworks under the title of the ethical charter as a single ethical management in the organization. Therefore, the purpose of this paper is to examine the concepts of ethical management and behavior in the organization. Therefore, in this paper, while analyzing the concept of ethics, ethics functions in the organization, ethics management and ethical leadership, ethical components, ethical models and theories were also introduced, as well as solutions for the development of ethical behavior by managers, and finally, some studies considered that have been done in this regard.

Keywords: Ethics, Ethics in Organization, Ethics Management.

#### INTRODUCTION

Management science is important because of its strategic nature in helping to make decisions in the human domain more than other sciences because every decision in this area can affect the various classes of society, environment and nature. One of the effective ways to introduce ethical issues in human affairs is the inclusion of the ethics in decision-making. Decision-making in the field of management science is not realistic regardless of the components of ethics and social responsibility (Ghasemi et al., 2014). Ethics as the regulator of human relationships has always been of great importance. In management, this mechanism and workforce, without the need for external levers, can ensure ethical performance in the staff and create an ethical organization. The role of ethics in performances and behaviors, in decision-makings and choices, and in encounters and relationships is crucial, because today ethical issues and management are one of the major topics in the field of management (Babai Ahri et al., 2015). Moral managers emphasize ethical standards and put ethics at the forefront of their leadership plans (Kaya Ozbug, 2016). Ethics in decision making and management science have recently been raised and provided a special attraction for researchers in this field and there is a lot of research perspectives for it. Because of its strategic nature in helping decision making in human fields, management science is of paramount importance to other sciences because each decision in this area can affect the

various strata of society, environment and nature. Therefore, an effective way to introduce ethical issues in human daily life, is the inclusion of ethics in decision making and subsequently research into operations as a decision support system (Azar et al., 2008). Ethical management is a phenomenon that has been considered by increasing the immoral and illegal behavior in the workplace. The emergence of ethical abnormalities in the organization has several basic reasons, including: excessive observance of human affection and Islamic ruth, lack of patience and job security, non-commitment to the organization, and so on. Therefore, in this regard, the role of managers should not be ignored. Therefore, today, in analyzing government agencies, addressing morality and ethical values is one of the requirements, and leaders of the organization must adhere to accepted ethics without exception, in order to persuade their employees to achieve a common goal (Hazrati, Memarzadeh Tehran, 2014). Accordingly, the purpose of this article is to examine the concepts of ethical management and ethical behavior in the organization.

#### RESEARCH LITERATURE

## Conceptualization of ethics

The ethics debate is, in fact, the main challenge of management. Because it represents the contrast between economic performance and social performance. In other words, balances and equilibrium between economic functions and social functions must be created (Azar et al., 2008). Ethics is the collection of human traits, and, according to some scholars, ethics are sometimes referred to as acts and behaviors that derive from inner desires (Makarem Shirazi, 1998). The term ethics has two distinct uses: ethics sometimes refers to mood, habituated behavior, and temperament, as the two English words are sometimes used to mean habit and adjective. The other meaning of these words are the knowledge that speaks of goodness and badness of behavior (Alvani & Rahmati, 2007). Ethics in English Oxford dictionary is defined as principles that are performed by a person. Within the framework of professional behaviors, the definition of ethics is broadened, which may be described as doing the right thing, and in a structural framework, ethical behavior may be measured by the value of trust and integrity of companies and individuals who do their businesses (Mason, 2009). Ethics is a principle that defines the right and wrong behavior and shows the distinction between them. Practically, practical ethics cannothave a standard criterion. But, according to Lucen, ethics is a human affair and cannot be anything other than constant and daily innovations against behavioral issues, so in the eyes of the new European philosophers, the human aspect of morality is more than other metaphysical aspects (Gragaver, 2001). Understanding the ethical practices in the organization is one of the most important indicators of sustained success (Kanukoren et al., 2013). Progressive complexity of organizations and increment of the immoral, illegal and irresponsible deeds in the workplace, took the attention of managers and experts in working ethics and ethical management; particularly that the organizations in terms of expertise and field of activity, involved in many moral problems and issues. The purpose of ethics management in an organization is to identify and prioritize values to guide the behavior of the organization. By creating a management program, organizations can manage ethics in the workplace and maintain their ethical performance in turbulent conditions (Soltani, 2003). Work ethic has different meanings from the point of view of different people. Generally, however, ethics known as the recognition of right and wrong in the workplace, and then doing the right thing and leave



the wrong one. Work ethic has become one of the areas of management knowledge since the beginning of the social responsibility movement in the 1960s (Alwani and Rahmati, 2007). Management ethics is the human sovereignty of the person, because it manages the collective affairs of humans to achieve certain goals. Management ethics seeks to recognize the moral needs and ethical and virtual damages of the bosses and rulers and to provide ways to meet the needs and being away from harms. The purpose of management ethics is the assessment of the effective factors on the balance between economic and social performance of an organization and also the investigation of theory various structure that can help the management alongside the determination of this balance. Companies that are socially committed, are more profitable, and just the opposite of non-commitment means less profit. Ethics and merit are equal to winning (Khaiyat Moghadam and Tabatabati Nasab, 2016). The category of organizational ethics in developed societies has been institutionalized over the past century (Khaiyat Moghadam and Tabatabai Nasab, 2015). Today, in analyzing the behavior of organizations, addressing morality and ethical values is one of the requirements. The external symbol of organizations is their ethical behaviors, which is the result of a variety of moral values that have emerged in the organizations. Managing ethics in the workplace has many benefits to leaders and executives, including functional benefits and ethical interests. This is especially true in the present era where managers deal with a wide range of values in the workplace. Researchers defined the ethical leadership as the emergence of personal and social behaviors that are fit from the viewpoint of norms and the support of these followers' behaviors, through mutual communications, reward and decision-making (Brown et al. 2005). According to Brown and Trino (2005), ethical leadership includes two important dimensions, including individual ethical dimensions and managerial ethical dimensions. First dimension shows personal attributes such as honesty and self-confidence while the second shows a manger that hardly tries to affect the ethical behaviors of the followers. Ethical managers emphasize ethical standards and put ethics at the forefront of their leadership plans (Kaya Ozbug, 2016). The ethics in management are based on how is our relationships with the members of the community in which we are active and how it should be focused. Undoubtedly, the most important and sensitive issue in management is balance between economic performance and social performance for ethical decision making. Also, ethics in management science by providing some ethical principles and standards for designers of decision-making models can help to create patterns that are in the public interest; therefore, decision-making based on ethical factors and social responsibility by managers makes the interests of society and the surrounding environment, in other words, the balance would occur between economic and social performance (Khanifer et al., 2015). Based on the research, an ethical management program enables the organization to manage ethics and spirituality in the workplace. One of the main goals of ethical management programs is to strike a balance to rival values between the various stakeholders and sometimes diverse to the organization. In other words, the main challenge for organizations in formulating an ethical program, to consider the interests of all stakeholders of organization, and to pay attention to satisfying all or a fair and balanced percent of these expectations. An ethical program incorporates the values of all stakeholders, policies, and activities that affect the ethical goals of the organization (Alwani & Rahmati, 2007).

Ethical functions in the organization



Observing ethics and adhering to ethical values has become one of the most important phenomena that is considered in organizations. The role of morality in actions and behaviors, in decision making and in choices, in encounters and in communication is important and decisive, and the director cannot act with certainty in the performance of his duties without a moral system. Today, ethics has become part of official politics and the informal culture of organizations (Foruzandeh Dehkordi and Kiarazm, 2015). From the social dimension, ethics has always been of great importance as the regulator of human relationships. In management, this internal mechanism, without requiring external leverage, can ensure ethical performance in employees and create a spiritual organization. From Organizational perspective, by reliance on the ethical principles, managers are able to decide what's right and wrong: who goes the right path, and who goes wrong. Therefore, the director cannot act decisively in fulfilling his duties such as decision-making, evaluation, supervision, encouragement and punishment without an ethical system in the organization. The role of morality in actions and behaviors, in decisions and choices, and in encounters and communication, is important and decisive. Therefore, ethical debate is one of the main topics of the field of management today. Ethics in the organization are defined as a system of values, goods and bad, which distinguish right and wrong in the organization (Alwani and Rahmati, 2007). Considering the significant impact of work ethics on the achievement of goals, strategy development, individual behaviors, organizational performance, job satisfaction, creativity and innovation, decision making and employee participation in affairs, sacrifice, commitment, discipline, hard work, etc. In the organization, we can say there is no phenomenon in the organization far from the role and effect of this phenomenon. Organizational ethics is a very important issue that companies invest significant resources to meet, learn, and train it. Despite such investments, unethical activities create huge casualties in the organization. A person's moral slip can lead to widespread financial and fatal injury to the entire organization. Among the factors influencing ethics, one can mention the personality of the person, the management and staffing characteristics of various types of management in dealing with ethical dilemmas. Ethics education and ethical decision making and creating ethical work climate are among the influential ethical behaviors in the workplace (Shafiei and Hakiminia, 2015).

## Ethical management and leadership

Management and leadership will not reach to the organization with only the general and specialized knowledge, as well as the skills in implementing the teachings. Another element is the role of ethics. By saying Ethics, we mean a special ethical personality that managers first must adhere to it and then promote it in the organization. Generally, success in the performance of the duties and missions of an organization depends on the ethical behavior of managers. The ultimate goal of ethical programs and the development of ethical behaviors in the workplace is to make the behaviors specified in the code of conduct in the workplace. In other words, the code of ethics should create policies, procedures and trainings that translate these values into appropriate behaviors so that dedicated and high-profile employees be able to become capable of performing the tasks and to grow and achieve excellence and ensure organization's health and survival in today's changing world. Organizations' managers and agents need a set of ethical guidelines to carry out their organizational tasks, in addition to legal and organizational criteria. So, today, ethics and social responsibility of managers are more than ever considered by management scholars. It is obvious that any director's decision can slowly or completely change



the fate of all the institutions of society sooner or later in a dynamical process (Khaiyat Moghadam and Tabatabai Nasab, 2016). Ethicsare in fact spiritual principles and value codes that manage the behavior of a group or individual. Ethical values are formal standards and rules about the right and wrong behaviors and decisions (Matt, 2013). The dimensions of ethical leadership are unique in terms of their potential capability to influence employees and organizational behavior (Kaya Ozbug, 2016). The ethical management approach has the highest compliance with ethical behaviors and standards. Although it is not always possible to determine the level of compliance with ethical standards in this management approach, this method tends to focus on ethical norms and professional standards, motives, goals, orientation towards law and general operational strategy, which are based on ethics. In contrast to selfish motives that exist in immoral management, ethical management succeeds only in the context of meaningful ethical concepts; therefore, moral management motives can be considered justice, fairness, and desire. Organizational goals in this type of management continue to be profitable, but only within the limits of obeying the law and sensitivities towards it, and being responsible for ethical standards (Nazari, 2013). Ethical management also considers the goals of profitability, legality and considers ethics both desirable and favorable. In fact, the focus of this management approach is not only on the word of the law, but also on its spirit. The law in this view is seen as a minimal standard for ethical behavior, since ethical management tries to maintain itself at a level above legal requirements (Nazari, 2013). In view of the importance of ethics in management and its very sensitive role in the administration of affairs, it should be noted that there are many people who, due to their knowledge and experience (knowledge and skills), are well-positioned to be in charge of management, but not ethically capable of their behaviors They are not in charge of managing the affairs and directing the manpower under their control and suffering from difficulties in dealing with disasters and frustrations. Success in management requires not only academic and ethical qualifications, but also the leadership and management is the right of those who have such capabilities, but because of some reasons couldn't reach to their right. Therefore, the ethics of management is human sovereignty, because it manages the collective affairs of humans in pursuit of certain goals, and the subject of ethics of management is the manager's ego. This paper seeks to examine the concept of ethics in management (Ghasemi et al., 2014). On the other hand, ethical leadership has a close relationship with ethical management (Nazari, 2013). Ethical leadership is a subject that has long attracted the attention of researchers and the general public. Leadership is usually the key to the success or failure of organizations in all domains. Ethical leadership is one of the subcategories of ethical behavior which has been heavily taken into account in the early years of the third millennium in terms of creating a healthy working environment, due to the organizational, group, and personality implications (Rezaei Kelidbari et al., 2016). Caroltitled features of this type of leadership "The Seven Habits of Extremely Ethical Leaders". Inspired by Stefan Cavie's book in the best-selling book, The Seven Habits of Extremely Effective Peoples, name features that should be dramatically impressive in the leadership's approach, where they can form a leader style and become habitual. Accordingly, the seven fundamental habit of ethical leaders are as follows (Nazari, 2013):

- 1. Many people like to act rightful.
- 2. Are ethically active.
- 3. Consider all stakeholders.
- 4. Have a powerful ethical personality.



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- 5. Obsessed for being fair.
- 6. Their decision-makings are based on principles that are irrevocable.
- 7. They incorporate ethical wisdom into the wisdom of management

## Components of professional ethics in management

Considering the importance of professional ethics in organizations, ethics has become a social responsibility that promotes human resources development and increases productivity and leads to growth of the system and organization; that it is possible to identify the elements of ethics in political activities as The sense of social responsibility, the importance of human values rather than material values and work conscience. In past research, attention has been paid to social responsibility and the positive relationship between ethical values and job satisfaction of an individual in an organization, and the ethical perceptions of employees and the attitude of working with multiple policies in ethics have been considered. In professional ethics, there are two traditional and new approaches; the traditional approach involves the management of human resources into professional ethics, which takes into account the ethical responsibilities of individuals in the professions and the individual's character and ethics of business owners, and a new approach that became common in recent decades, is the strategic management approach into professional ethics. In this approach, the accountability of the organization is emphasized with a systemic attitude towards the ethics of the organization. Strategic management specialists consider good ethical principles in the organization as prerequisites for strategic management (Khaiyat Moghadam and Tabatabai Nasab, 2016). Some of features of professional ethics in today's conception can be: having the identity of the science and the knowledge of professional ethics, having a functional role, the presentation of professional, native background and cultural affiliation, dependency to a moral system, the provision of human knowledge with motivational language and presenting an interdisciplinary approach. In the formation of organizational ethics, three groups are involved: individual, organizational and supra-organizational factors. Individual factors include: personal morality, self-knowledge and self-control, which is the main source of compilation of ethical management in the organization. organizational factors include: organizational rules and regulations, organizational culture and organizational structure that institutionalizes ethical management, and supra-organizational factors include government, economic conditions, working environment and international environment that lead to the orientation of ethical management and ultimately makesthe management of ethics in the organization practical.

Generally speaking, the principles of organizational ethics include trusteeship, servicing, responsibility, work discipline, charity, tolerance, prosecution and justice ice (Gholami, 2009). Ethical codes are a set of written instructions issued by the organization to its employees and managers, in order to act in accordance with the ethical values and standards of the organization. In the performed researches, several international codes of ethics have been introduced: trust, fairness, not lying, righteousness, transparent disclosure of financial information, accountability, respect for national sovereignty, support for the host country's economic objectives, respect for social and cultural values, respect for human rights and the freedom of individuals, responsibility for transactions and agreements. Ethical codes have always been considered by both theorists and the executives as an effective tool for employees' behavior. With regard to the many studies that have been done in relation to the existence of ethical codes with various organizational components, it is pointed out that there is little information on the



effect of ethical codes on individual behavior (Tailor Moghadam and Tabatabaei Nasab, 2016). Ethical codes are a practical guide for all decision-makers at various levels of the organization, and help them to know how to react in situations where conflicting ethical values are manifested. Some of the most important ethical values are: honesty, fairness, accountability, efficiency, commitment, loyalty, team participation and behavior, preference for collective interests on personal interests, secrecy and trusteeship. Research has shown that among many tools for managing ethics, some tools are more practical. These tools include: structural measures, policies and practices, and staff training and drafting a moral charter (Soltani, 2003).

## Strategies for developing ethical behavior by managers

With the structural approach, we can propose the following tools for strengthening the moral order in a spiritual organization: Support of top manager for ethical plans: If the top manager is not completely supportive of the program, the moral agenda in the minds of others is considered a duplicity and causes employee pessimism and the situation of the organization may be worse than any formal ethical program that was not there. Therefore, the top manager must work on the elaboration and implementation of the program, and more importantly, it must constantly endeavor to lead the organization with an ethical character and if something goes wrong, accept it.

Establishing a committee for ethical management: The committee should be composed of senior members of the organization, and the top manager of the organization will be the chairman of the committee. This person is responsible for solving moral problems directly by interpreting policies and procedures.

Assigning an Ethics Officer: The Ethics Officer usually sees the ethics issues in the workplace, especially solving ethical problems, and plays the role of secretary of the ethics committee. Assigning a consultant: The task of the consultant is to provide advice on relevant issues and coordinate the progress of policies and procedures in order to institutionalize ethical currency in the workplace.

Establishing executive policies based on the organization's strategic vision and plans: The elaboration of a code of conduct and ethical guidelines is essential for our organization. The ethical code includes provisions such as the objectives of ethical plans, decision-making bodies, implementation and monitoring of ethical plans, determination of mechanisms for encouraging and punishing moral affairs ... (Soltani, 2003).

## Models and theories of ethics in organization and management

Three models or common patterns of organizational ethics include interest-seeking, rights and justice. Each model has specific features and differences with other models, but to a large extent provides the set of models, principles, and ethical standards for managers and staff to judge the correct or incorrect decisions and organizational behaviors. Therefore, all three models of ethics can, at the same time, strengthen and support a special pattern of behavior.

The model of interest-seeking: judges the impact of decisions and behaviors on others based on the fundamental goal of "providing the most good for most people". The theory of utility evaluates the actions according to their results and their consequences. About the model of philanthropy, pops says that "the adoption of ethical decisions usually completes an equilibrium line between the different values that conflict with each other. This kind of ethical plurality is desirable and appropriate for the multiplicity of values that are characteristics of a democratic society. In the framework of implications, a realist government director cannot ignore any fundamental ethical



principle that is alien to existing space and may affect the effectiveness of the realization of the mission of the state apparatus. Therefore, in a democratic society the existence of a limit of tolerance lies in the manager's ethical responsibility. The logic of the profitability of considers decisions based on the balanced judgments that it is proportional to ethical pluralism and tolerance.

Model of rights: Decisions and behaviors are judged on the basis of compliance with group and individual fundamental rights. The model of right usually addresses issues of non-violation of the accepted rights of others. The concept of rights is that, for example, employees have the rights, but they do know that in a real-life management situation, how can these rights be enforced and balanced? In this model it is stated that human beings have fundamental rights and freedoms and cannot be separated from human by a personal decision. Therefore, an ethical decision is right that best suits the rights of individuals within the scope of this decision.

The model of justice: judges' judgments and behaviors in an unbiased manner based on compliance with the principles of holiness, fairness, equality and distribution of benefits (rewards) and costs among individuals and groups. The model of justice evaluates decisions and behaviors based on how the fair distribution of benefits and costs among individuals and groups is evaluated. What is considered ethical should be evaluated by comparing decisions and behaviors with these three models. Each model provides different and complementary methods for determining behavior or ethical decision. All three models should be considered in the actions.

#### Collins business ethics model (2009)

Prof. Collins (2009) considers the main components of business ethics including: ethical staffing, ethical codes, ethical decision making, ethical education, attention to diversity and needs of employees, a system for reporting business ethics issues, Ethical leadership, work goals, performance appraisal, empowerment of ethical employees, environmental management, and social responsibility (Collins, 2009).

business ethics ethical ethical decision attention to diversity Ethical performance environmental and needs of employees leadership codes making appraisal management a system for reporting empowerment of ethical ethical social responsibility work goals staffing education business ethics issues ethical employees of organization

Table 1: Collins Business ethics model (Collins, 2009)

Role-Oriented Ethical dilemma model (Ethical Decision Making) (Wotton, 2001) Wotton's model (2001) examines the ethical problem solving in relation to four factors of personal, organizational, professionalism, and evidence of role. Based on the current path model, each ethical problem consists of five variables of fragmentation and collusion, manipulation of data, threats and coercion, conflict of goals and values, and impropriety.

Table 2: Role-Oriented Ethical dilemma model (Ethical Decision Making) (Wotton, 2001)

			,	
The person Organizational	professional	evidences of role	ethical problem	



Values Believes Abilities	References Culture/norms Performance management	Education Belonging Performing codes	Collusion Misuse of data Manipulation, threats and forces Conflict of goals and values Individual impropriety
	111111111111111111111111111111111111111		Individual impropriety

The present model has considered individual characteristics in two aspects of personal characteristics and professional characteristics among three groups of factors in the field of ethical decision making (individual, structural and background characteristics). It considers the organizational characteristic in accordance with the underlying factors and evidence of the role in accordance with structural factors. Therefore, its similarity with other models of this domain is tangible, but it can be criticized for not considering all the underlying and structural factors as reviewed in the literature review.

## Brown and Troino's (2006) ethical leadership model

Brown and Troino, as pioneers in the field of ethical leadership, put forward a model in a research paper published in 2006. This model of ethical leadership is influenced by two categories of positioning factors and individual characteristics and attributes, both of which are influenced by moderator variables. Based on the model, the effect of the agent of the positional features is influenced by the ethical background and self-monitoring (self-care) and the effect of the personality traits under the influence of the variables of the need for power and ethical reasoning will be moderated. Based on the present model, the ethical leadership outcomes include ethical decision making by followers, their positive social behavior, non-productive behavior, and satisfaction and motivation.



Table 3: Brown and Troino's Ethical Leadership Model (Brown and Troino, 2006)

The present model is designed based on ethical decision making model and based on this, ethical

		Ethical Leader	rship	
Situational features	Moderator variables	Individual features	Moderator variables	Outputs
Role modeling     Ethical     background	3. Moral background, moral strength 4. self-control	9. Machiavelli	12. Need for deterrence power 13. ethical reasoning, ethical benefit	14. Ethical decisions of followers 15. Positive social 16. behavior Unproductive behavior 17. Satisfaction, motivation and commitment of followers

leadership has been influenced by two main factors of individual characteristics and situational characteristics. In sum, it can be said that structural features have not been considered.

## Jones's ethical decision model (1991)

Jones (1991) introduced a general model of ethical decision making in a path model. The model consists of five variables of moral empowerment, recognition/identification of ethical issues, ethical judgment, establishing an ethical intention and displaying the result of ethical behavior in which the ethical empowerment variable influences on all four other variables.

Table 4: Jones's Moral Decision Model (Jones, 1991)

	V
Ethical Capacity	

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Displaying the result of	consolidation of	Performing ethical	Identification/recognition of
ethical behavior	ethical intent	judgment	ethical issue

The present model considers all three cases of underlying, situational and individual factors within the framework of the ethical empowerment and generally it can be claimed that it is a generalized model and doesn't have detailed information for decision making. Will not provide. Haynes and Leonard's (2007) the four-stage model of ethical decision making and its effective situational factors

The present model, which is highly similar to the Jones's ethical decision-making model, is a general model that considers ethical decision-making as a result of the process of the four stages of detection, judgment, formation of moral intention, and ultimately implementation and conduction (Heinz & Leonard, 2007).

Table 5: Four-stage decision-making model and effective factors on it (Heinz & Leonard, 2007)

Identification of a	Performing ethical	creating an ethical	Involvement in ethical
controversial ethical issue	judgment	Intent	action

Based on the decision model, Heinz and Leonard (2007) expanded the model of the effective factors on ethical decision-making as follows. Accordingly, they identify the four factors of the importance of the decision, the type of individual judgment, the external requirements and the intentions of the individual, and, as the model shows, it has been argued that all variables affect the ethical intention and this is theethical intention that ultimately acts as a mediating variable on ethical decision making.

Table 6: The Model of Situational Factors Affecting Ethical Decision Making (Heinz & Leonard, 2007)

Requirements The Importance of Understanding Judgement	Intent
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The present model explains the effective factors in ethical decision-making, and introduces four factors that determine the importance of the decision, the type of individual judgment, the exogenous requirements and the intent of the individual to influence the ethical decision. The present model takes into account the variables related to the organizational situation, such as ethical culture, ethical atmosphere, organizational size, etc., in the form of perceived importance, and it can be said that the performed examination of it, is somehow simplistic.

## Research conducted in the field of management and ethical behavior in the organization

Rezaei Kelidbari and colleagues (2016), investigated the role of ethical leadership on employees' performance. The results of the research showed that the relationship between ethical leadership and employees' performance is indirectly significant. Kaya Ozbug (2016) examined the relationship between the five personality traits and moral leadership. Based on the research, the ethical leadership dimensions of leadership play a unique role in terms of the potential of the executive to influence employee and organizational behavior. The results showed that neurosis has a negative effect on employees' moral perception. The results also showed that there is no significant relationship between extraversion and ethical leadership. Conscientiousness, convergence and openness to experience are important predictors of ethical leadership. Pocittite (2014) examined corporate organizational innovation through ethical leadership practices,



taking into account the intermediate role of organizational trust in research. Based on the results, organizational trust strengthens the effect of ethical leadership on organizational positive results. Therefore, the research results confirm the mediation of organizational trust in the relationship between ethical leadership and organizational innovation. Adrian Marica (2013) conducted a research on ethical management. According to his research over the past two decades, the issue of ethical management has become a constant concern in various institutions, thus, examined the need to integrate professional ethics requirements into teaching profession through a coherent, structured and explicit program at national level. In this regard, the key question was: what tools shape and regulate ethical behaviors in your career? Canocorn and colleagues (2013) examined ethical leadership indicators. The results showed that ethical leadership consists of five primary factors, 19 secondary factors and 69 indicators. Factors ranked as sense of responsibility, justice, trust, status, and empowerment respectively. There are 13indicators related to liability, 11 indicators related to justice, 17 indicators related to trust, 15 indicators related to the situation, and 13 indicators related to empowerment. Magdalena Richie (2013) has investigated the ethics of management and ethical behavior in organizations. According to them, one of the important responsibilities of managers is to create a trustworthy image of the organizations that they lead, based on Oral ethics principles that has become the mission of the organization, the principles of governance, goals, projects and everyday activities. Therefore, ethical principles of management should reflect ethical requirements. Thus, the research process focused on two main aspects: (a) the ethical principles promoted by managers of nonprofit organizations; and (b) the manner in which these principles are understood by the volunteer employees. The purpose of the study was to demonstrate the relationship between the ethical infrastructure provided by nonprofit managers to volunteer staff and ethical core values involved in the behavior of volunteers. Matt (2013) examined the relationship between organizational pessimism and ethical leadership behavior. Three main results were found. First of all, academic perceptions are modest for college instructors. The second is that the organizational pessimism of academics is high. In this study, the ethical leadership behavior of the board's instructors had a negative and consistent effect on academic pessimism behavior among academics. It was also found that perceived ethical conduct behavior is an important predictor of organizational pessimism. Khaiyat Moghadam and Tabatabaei Nasab (2016) studied the components of professional ethics in management, which, according to them, professional ethics, is an important branch of applied ethics that addresses the necessities of life in new societies. Accordingly, a set of rules and ethics should be considered in every profession. Hence, in his research, the components of professional ethics in management were identified and ranked. After data analysis, 37 components of professional ethics were identified in management and categorized in 5 indicators. According to research findings, the ranking of professional ethics components in management can be classified as: accountability, trust in God, honesty, justice, and so on. In the sample, the factor of spirituality in the first rank, intrapersonal and external factors in the second and third grade, internal and external factors were in the next rank. Finally, the professional ethics of executives in the studied society was at a favorable level. Khenifer and colleagues (2015) examined the philosophy of ethics in management science in their research. To this end, by introducing the meaning and concept of management ethics and science, and creating the first acquaintance, and the role of management science in decision making and the need to observe ethical principles in it, introduced the methods for analyzing



the ethical issues raised in the decisions and principles governing social values and finally, discussed about the philosophy of ethics in management science. The research findings emphasized the need to use ethical values in management science to have better management and make realistic decisions based on the values of the community. Khodami and Esanlou (2013) designed a model of employees' ethical behavior with an emphasis on the role of ethical values of the organization. According to them, ethical behavior occurs when ethical values can eliminate barriers to ethical behavior in the organization. Therefore, the aim of the study was to study the literature of this field and provide a model for assessing the achievement of this goal. In this regard, they tried to define the effective mediator variables on moral behaviors and the study of the consequences of ethical values in the organization to examine the role of organizational ethical values in employees' ethical behaviors. Ethical values in the organization design a model that can examine the role of organizational ethical values in employee ethical behavior. Based on the significance coefficient index, it was revealed that ethical values have a positive and significant relationship with all three dimensions of organizational justice. From the dimensions of organizational justice, the only dimension of interactional justice is related to both dimensions of organizational commitment and job satisfaction, and then procedural justice is only related to organizational commitment. Organizational commitment and job satisfaction both have a positive relationship with ethical behavior. Based on the results, the research model was confirmed, which showed that the ethical values of the organization can lead to ethical behavior of the employees by creating organizational justice, job satisfaction and organizational commitment. Hazrati and Memarzadeh of Tehran (2013) presented a model of ethical leadership consistent with governmental organizations. Then examined the ethical leadership style of government organizations and first described the important issues and challenges that influenced the formation of this leadership style. Then, the concept of ethical leadership, structure, and related theories and features of this subject are examined by different thinkers and finally presented the model of ethical leadership influenced by both individual and manager elements. Sabzev et al. (2013) investigated the effect of managers' ethical behavior on employee performance. The findings showed that there is a relationship between ethical behavior of managers and employees' performance. Also, there is a relationship between organizational commitment, patience and trust, and job security of managers with employees' performance, but there is not a meaningful relationship between affective and non-administrative services of managers and out-of-office services to employees by managers and employees' performance. Ghasemi and his colleagues (2013) examined the ethics of management, according to them, in pointing out the importance of ethics in management and its very sensitive role in the administration of affairs, it should be noted that there are many people who have knowledge and experience (Knowledge and skills) are suitable for the management of the post, but their moral conduct is not capable of managing the affairs and directing the manpower under their supervision and facing difficulties in dealing with disasters and frustrations. Success in management requires not only academic and ethical qualifications, but also the leadership and management of the rights of those who have such capabilities, but by some reasons couldn't reach to their rights.



## **CONCLUSION**

Attention to the ethics and ethical principles that have been developed in each society according to the type of culture of that society is one of the factors of society's success. The role of observance of ethics in all aspects of the organization and its impact on the effectiveness of the organization have been agreed upon by the researchers and ethical behavior has a significant impact on the organization's activities and outcomes. Ethical management in the workplace has many benefits for leaders and executives, including functional benefits and ethical interests. Based on the research, many of the behaviors and actions of managers and employees are influenced by ethical values and rooted in ethics. Failure to pay attention to the ethics of work in managing organizations can create major problems for organizations. However, attention to ethical behaviors has a significant impact on the organization's activities and outcomes, because it increases productivity, improves communication, and reduces the degree of risk.

Exercise of ethical management in organizations not only leads to direct and in-house organizational results, including increasing productivity, strengthening collective conscience, producing and institutionalizing new ethical values, and transforming organizational culture, but also from the blessings of ethical management, Social organizations' responsibilities, is emphasized today and is considered as an important indicator of the performance appraisal of organizations. Also, the existence of work ethic in the organization will result in job satisfaction and individual self-development on the one hand, and people's satisfaction and progress in work from the other side, so ethics can play an effective role in increasing organizational efficiency and effectiveness (Beheshti Far and Nekoye Moqaddam, 2010). Accordingly, many of the behaviors and decisions of employees and managers in today's organizations are influenced by their ethical values. Hence, awareness of the current status of employees' ethical behavior and the identification of factors affecting them to promote ethical behavior is of great importance. Since managers are seeking to achieve the goals of the organization, many things have to be considered in this regard.



#### Offers

In order to lead the organizations towards establishment of ethics and ethical management, it is suggested that the managers of the organizations conduct ethical meetings to keep their employees in position to strengthen their skills in solving ethical problems. Organizations must also develop a comprehensive ethical code for institutionalizing ethics in their organizational members. To this end, the organization's values and beliefs should be converted into specific behavioral standards.

Considering that an ethical management program enables the organization to manage ethics and spirituality in the workplace, therefore, in order to manage ethics in the organization, managers should identify and prioritize values to guide their behaviors in the organization. Organizations must also manage ethics in the workplace by creating a management plan, so that they can maintain their ethical performance in turbulent conditions. Finally, considering the role of observance of ethics in all aspects of the organization and its impact on the effectiveness of the organization, it is suggested that managers with a systematic and comprehensive look institutionalize indicators and ethical parameters related to the functions of ethical management and ethical behavior in the organization.

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