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## **ETHICS IN THE KNOWLEDGE SOCIETY: CHALLENGES AND PERSPECTIVES**

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### **Abstract**

In the contemporary knowledge society, ethics plays a pivotal role in knowledge management and the decision-making processes of enterprises. This article focuses on the analysis of ethical challenges faced by organizations in the governance of knowledge capital, and the strategies employed by businesses to address them. The research was conducted through a questionnaire survey administered to a selected sample of enterprises across various sizes and sectors. The results indicate that the primary ethical dilemmas revolve around the protection of intellectual property, the transparency of information sharing, and equitable remuneration for knowledge contributions. Furthermore, the study identifies the most frequently adopted ethical codes and principles that companies implement to ensure responsible knowledge management. The findings provide valuable insights for managers striving for effective and ethically sustainable knowledge management practices.

### **Keywords**

Ethics, Knowledge Society, Knowledge Management, Ethical Challenges, Business Ethics, Questionnaire Survey

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### **1. Introduction**

The classical, hierarchically structured society is currently undergoing a gradual decline. The knowledge society is rising to prominence, where knowledge is becoming the most crucial form of capital. It can be stated that information possesses the greatest value, and it is the individual who is the bearer of this information. Depending on whether explicit or tacit information plays the primary role in a society, the appropriate focus is determined. In the former case, it is recommended to concentrate as much as possible on information systems; in the latter, attention should be directed towards the individuals who possess this knowledge.

The knowledge society is characterized by a transition from an industrial economy to a knowledge-based economy, where the sharing and utilization of information play a pivotal role. This concept has been termed the "network society," based on the global accessibility of information through digital networks (Castells, 2004). Knowledge is considered a public good that organizations own, share, and utilize for collective purposes (Wasko & Faraj, 2000). The knowledge society is also distinctive for the rapid dissemination of information, technologies, and scientific findings, which fundamentally alter the ways in which we communicate, work, and perceive the world around us. In this context, ethics becomes a crucial factor influencing not only how this knowledge is acquired and shared but also how it impacts social structures, the economy, and politics.

The aim of this research was to ascertain how individual enterprises address the ethical challenges associated with knowledge management. The questionnaire was designed for managers of selected industrial enterprises in the Czech Republic. The research was conducted through a questionnaire survey administered to a selected sample of enterprises across various sizes and sectors. The results indicate that the primary ethical dilemmas revolve around the protection of intellectual property, the transparency of information sharing, and equitable remuneration for knowledge contributions. Furthermore, the study identifies the most frequently adopted ethical codes and principles that companies implement to ensure responsible knowledge management.

## 2. Ethics as a Fundamental Factor in the Knowledge Society

Numerous studies have already addressed this issue, and the authors essentially arrive at similar conclusions. Ethics, in this context, is thus understood as a fundamental factor influencing the processes of knowledge creation, sharing, storage, and application. Ethical norms within organizations shape the behavior of individuals and foster a knowledge culture that is crucial for the long-term success of the organization (Akhavan, 2013). Nevertheless, a number of organizations exhibit unethical practices such as information manipulation, knowledge hoarding, or copyright infringement (Zyngier, 2015).

Research indicates that ethics has a fundamental impact on the knowledge culture within organizations. Gaur and Gupta (2021) developed a conceptual framework linking ethics with knowledge management processes. This framework includes ethical indicators such as organizational values and fairness, accountability and commitments, intellectual property, and team morale. Other studies reveal paradoxical aspects of ethics in knowledge management, for example, the conflict between protecting the individual privacy of employees and the demands of organizations for the sharing of tacit knowledge.

An ethical dilemma often arises during the transfer of tacit knowledge into explicit forms. The question remains whether organizations own the knowledge of their employees or whether this knowledge falls under the individual's right to privacy protection.

The significance of ethics in today's globalized and technologically advanced environment is constantly growing, particularly due to the rapid development of information technologies, artificial intelligence, and complex challenges in the field of business.

According to Josefová (2016), the role of ethics in society can be briefly characterized as follows:

- Ethics examines morality or moral conduct and its norms.
- It describes the moral values and judgments that prevail in society and are universally applied.
- It seeks answers to whether something is morally right or wrong.
- It is closely related to sociology.
- The state of society and its values create norms for ethics (norms by which ethics assesses the moral correctness of actions).
- Generally, no sanctions are applied for violations of ethics.

## 3. Challenges of Ethics in the Knowledge Society

Fundamental problems that can arise include information manipulation, as knowledge can be distorted or suppressed to achieve organizational objectives. This encompasses the withholding of information or its intentional misrepresentation. This can be associated with cybercrime and hacking, data collection without proper consent, and issues of discrimination.

Furthermore, the protection of intellectual property is a significant concern. This particularly relates to the transfer of employees' tacit knowledge into explicit databases, which raises questions regarding the ownership of this information. Plagiarism and copyright infringement are becoming increasingly problematic, manifesting in a growing challenge to the traditional understanding of copyright and patents. Unethical conduct here includes the copying or unauthorized use of others' information, which in the business sphere can be driven by the pursuit of unfair competitive advantages, and in education by the desire to successfully complete final papers, where students utilize AI for their processing with minimal personal intellectual contribution. However, the problem also exists on the side of academic staff who face constant pressure to publish. In the field of education, ethics should become a key element for the development of critical thinking and cultural understanding. The question remains how to fairly balance the protection of individual creators' rights with the need for knowledge sharing for public benefit.

The problem can also manifest as an imbalance between individual privacy and organizational demands. Organizations often require knowledge sharing, which can infringe upon individuals' rights to the protection of their personal information. The increasing importance of privacy protection is also evident in the context of the vast amount of personal data collected, processed, and analyzed in the digital space. On one hand, there is undeniable potential for utilizing this data in healthcare, marketing, or predictive analytics. On the other hand, concerns arise regarding the loss of individual privacy, unethical data trading, or the spread of disinformation.

Ethical problems also inevitably extend to the realm of technology, as technological progress, particularly in the areas of artificial intelligence, machine learning, and automation, brings fundamental changes to the work process and people's daily lives. These changes have not only practical but also profound ethical implications. Artificial intelligence (AI) and its development is arguably the greatest challenge facing contemporary ethics. The development of intelligent systems capable of learning and making decisions presents not only technical problems but also questions concerning responsibility, fairness, and human rights. How should ethical norms be designed for algorithms that are to decide on important aspects of life, such as job opportunities, loans, or healthcare? Another problem is the automation of the labor market. While automation can bring economic benefits and increase productivity, it also poses a threat of job losses and the emergence of new forms of social inequality. In this area too, questions remain unanswered, such as how society will cope with these changes and what measures should be taken to ensure fair access for employees and protect their rights.

Current ethical problems are also intertwined with globalization. Globalization is an inseparable part of the knowledge society. The world is increasingly interconnected, which brings new opportunities for international cooperation but also emphasizes the need for an ethical approach to different cultures and national values. Within the framework of globalization, increasing emphasis is placed on the ethics of global issues, such as climate change, the protection of human rights, and the fair distribution of resources. How can developed countries ensure that their technological progress does not harm vulnerable regions of the world? What ethical principles should guide international cooperation in the development of new technologies?

#### **4. Perspectives on Solutions**

Do solutions even exist, and do organizations address this issue in their daily operations? From a general standpoint, possibilities do exist and are outlined below. The practical implementation was investigated through a questionnaire distributed to organizations of varying sizes within the Czech Republic.

So, how can ethical problems be resolved?

The primary approach involves the integration of ethical values into the organizational culture. Fostering a culture built on trust, fairness, and accountability can promote ethical conduct in knowledge work (Akhavan, 2013). A culture that supports knowledge creation and sharing is characterized by open communication, the encouragement of creativity, and the provision of rewards, incentives, and public recognition for employees who generate and disseminate knowledge. This knowledge sharing should be initiated by top management, and its success is partly contingent on the organization's management style. Top management should exhibit strategic flexibility and also demonstrate tolerance for errors in knowledge application. Key features of a knowledge culture include the prevalent support of information technologies for knowledge storage through databases, expert systems, and other information systems. The sharing of knowledge by experienced employees, internal communication, the development of workplace friendships, employee involvement, and employee empowerment for knowledge application also play a significant role (Nina Evans et al., 2011; Chen-Fong Wu, 2016).

"Ethical leadership" plays an indispensable role here. This refers to individuals (or those in organizational leadership) who value ethical principles and possess an ethical orientation, creating opportunities for employees and other stakeholders to contribute to knowledge creation and acquisition. Ethical leadership also fosters trust, fairness, and transparency, which encourages knowledge sharing and transfer. Top management guided by an ethical leader plays a crucial role in knowledge creation by encouraging all stakeholders to contribute to this process. Part of such leadership's responsibilities should include the transparency of knowledge management processes, involving the implementation of mechanisms for monitoring information sharing, which can minimize the risk of data manipulation or misuse. A legal framework is also essential. Strengthening legislation concerning the protection of

intellectual property and privacy can help resolve conflicts between individual employee rights and organizational demands.

## 5. Results of the Questionnaire Survey

The aim of the questionnaire survey was to ascertain how individual businesses address the ethical challenges associated with knowledge management. The questionnaire was targeted at managers of selected industrial enterprises. The survey was conducted in the fourth quarter of 2024. Two hundred selected enterprises in the Czech Republic were contacted online. Seventy-six enterprises responded to the questionnaire survey, representing a response rate of 38% of the total number of contacted businesses.

### *Basic Respondent Data*

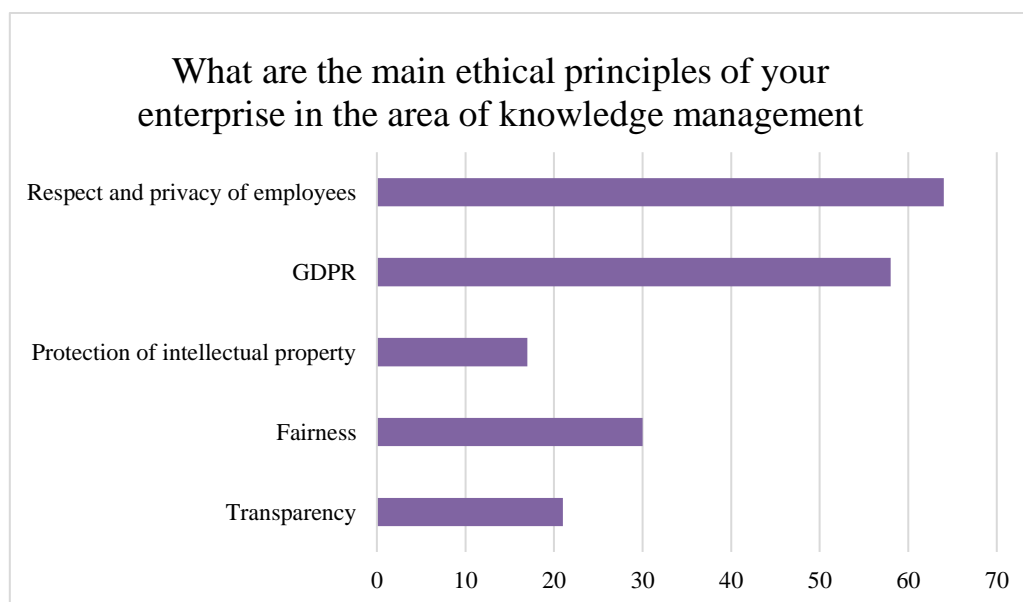
The largest proportion of respondents, at 45%, came from the group of medium-sized enterprises (51-250 employees), followed by small enterprises with a representation of 42% (up to 50 employees). 11% of the enterprises were from the group with 251-1000 employees, and only two enterprises, representing 2%, were from the group with over 1000 employees.

Regarding industry sectors, IT/Technology dominated (29%), followed by Manufacturing (28%), Services (25%), and Trade (18%). The representation across sectors is essentially relatively even. While there are larger differences in the representation of enterprises by size, these can be attributed to the greater reluctance of large corporations to participate in such surveys. The representation of respondents by legal form is as follows: 67% are limited liability companies, 15% are joint-stock companies, and 18% are sole proprietorships.

Only 78% of respondents stated that their enterprise has a formally defined ethical policy concerning knowledge management.

The responses to the open-ended question, "What are the main ethical principles of your enterprise in the area of knowledge management?", are evident in Figure 5.1.

Figure 5.1: Ethical Principles of the Enterprise



Source: Author's own compilation

Respondents could indicate multiple principles they considered important. The most common responses were respect and employee privacy, as well as GDPR. The next question concerned employee training in ethics and knowledge management, specifically its frequency. The results are shown in Figure 5.2, and it is evident that the majority - 83% of respondents - provide employee training once a year.

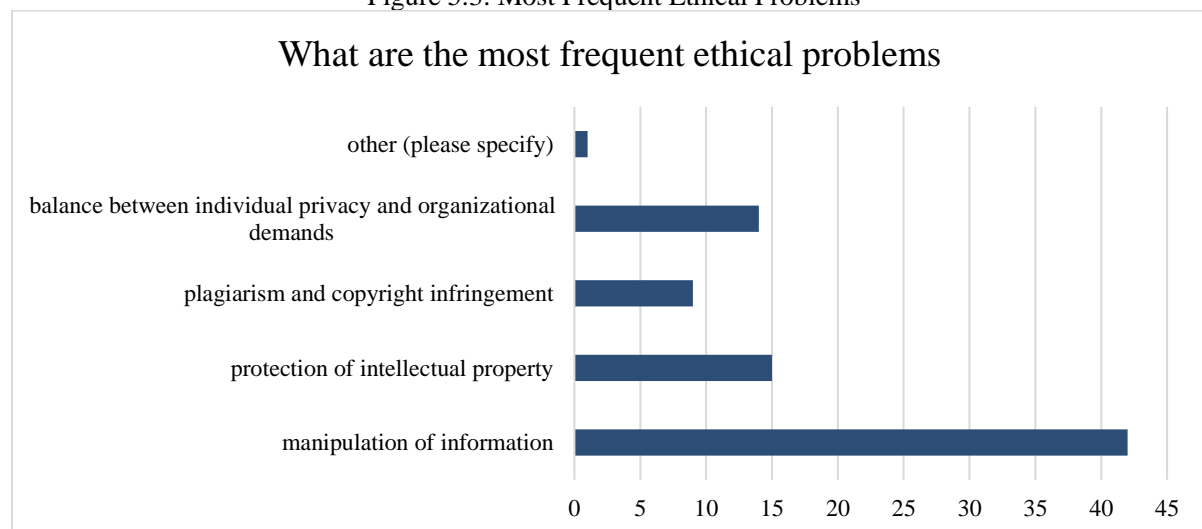
Figure 5.2: Employee Training in Ethics and Knowledge Management



Source: Author's own compilation

Responses to the question concerning the most frequent ethical problems encountered are recorded in Figure 5.3. The most frequently mentioned problems are information manipulation, which was cited 42 times, protection of intellectual property, mentioned 15 times, and the balance between individual privacy and organizational demands, mentioned 14 times.

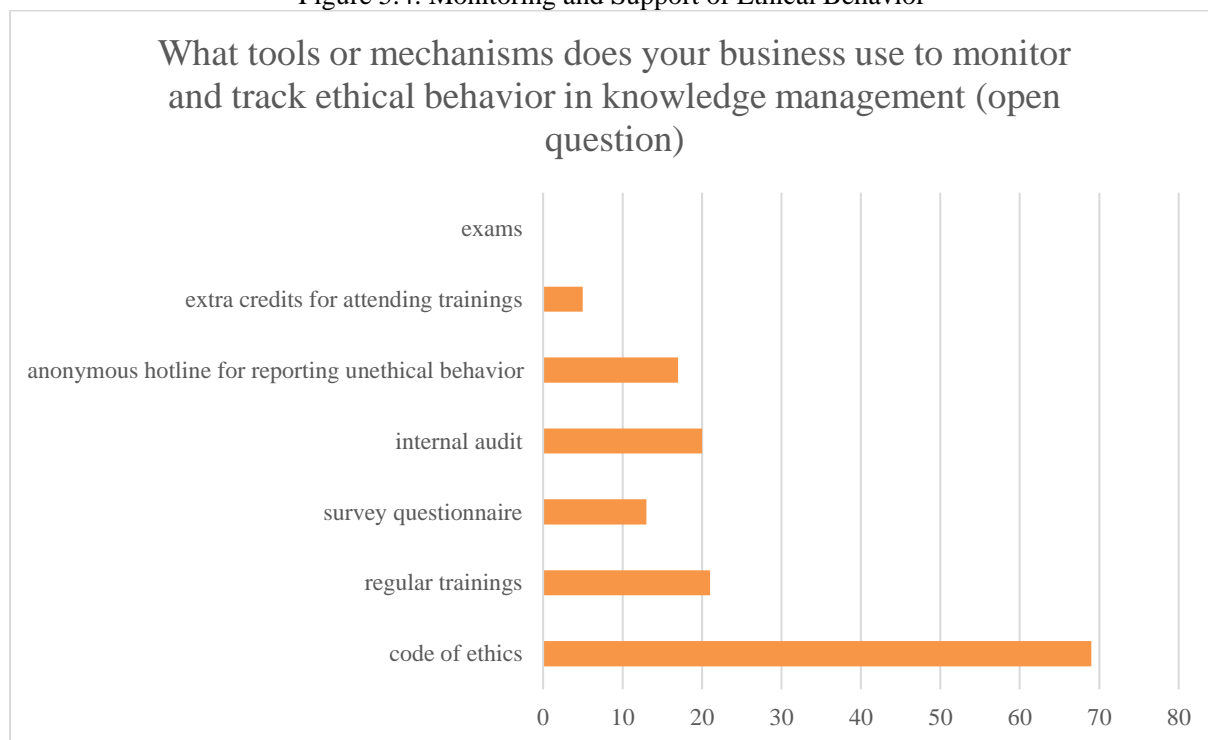
Figure 5.3: Most Frequent Ethical Problems



Source: Author's own compilation

Responses to the open-ended question focused on the tools or mechanisms that the enterprise uses to monitor and promote ethical behavior in the area of knowledge management are presented in Figure 5.4. The most frequently mentioned tools are an ethical code, regular training, and internal audits. Some enterprises also implement an anonymous hotline for reporting unethical behavior and utilize questionnaires.

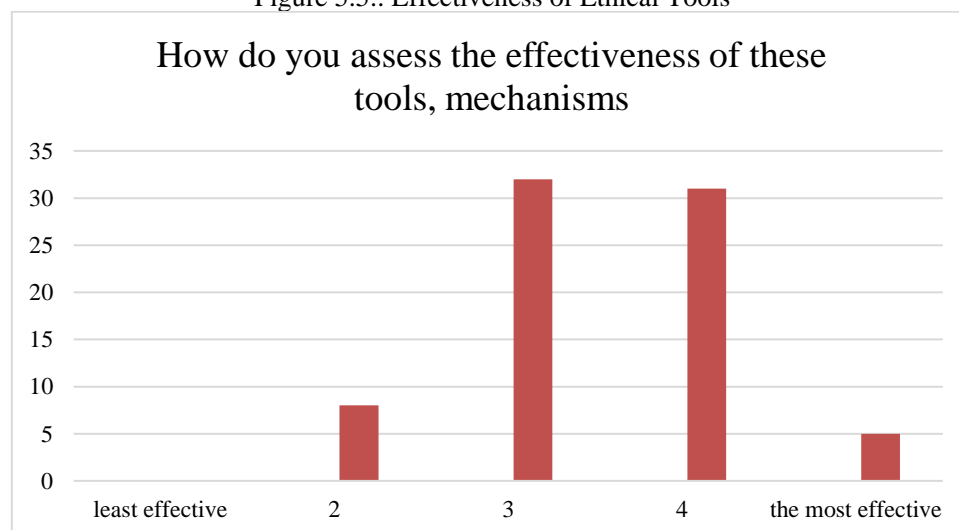
Figure 5.4: Monitoring and Support of Ethical Behavior



Source: Author's own compilation

The responses evaluating the effectiveness of the tools or mechanisms used are particularly interesting. Here, respondents rated the effectiveness on a scale from 1 = very ineffective to 5 = very effective. No respondent rated their tools as ineffective, but only 5% rated them as very effective. It can be said that a combined total of 83% of respondents rate the effectiveness of their tools as average to medium (i.e., ratings of 3 and 4), as shown in Figure 5.5.

Figure 5.5.: Effectiveness of Ethical Tools



Source: Author's own compilation

In response to the question, "What changes, in your opinion, could improve ethical knowledge management in your enterprise?", respondents predominantly mentioned the updating of internal regulations, legislation, workshops, employee meetings, and mandatory training.

Regarding planned future developments, nearly 80% of respondents anticipate changes in their ethical policy in the near future, particularly in the areas of training and enhanced transparency. The most

frequently cited trends in this area are the integration of ethical values into the organizational culture and the transparency of knowledge management processes.

## 6. Conclusion

Ethics in the 21st century faces numerous challenges stemming from technological innovations, shifts in global society, environmental exigencies, and novel scientific advancements. While progress can yield unprecedented opportunities for the betterment of life, it remains imperative to address issues of justice, equity, the safeguarding of human rights, and sustainability. It is crucial that ethical considerations are integral to decision-making processes across all strata to ensure that progress serves not only technical development but also the moral values of society.

The results of the questionnaire indicate that ethics in knowledge management is perceived as a pivotal factor for the success of Czech enterprises. Nevertheless, areas for improvement exist, such as a greater degree of formalization of ethical policies and the reinforcement of employee training. Businesses recognize the necessity of placing increased emphasis on the integration of ethical values into their culture and enhancing the transparency of knowledge management processes. One of the most frequently employed and typically most sophisticated instruments is the ethical code, which serves as a binding guideline in daily operations. This is supplemented by internal directives, regulations, and employment contracts. Companies apprise their employees that non-compliance with the ethical code can lead to significant detriment, not only for the enterprise itself but also for employees, as well as for business partners and other stakeholders. Consequently, the ethical code is binding for all individuals within the organization, irrespective of whether they function as employees, managers, or members of the board of directors. Violations of the ethical code are not tolerated. Individuals who breach the ethical code must anticipate commensurate consequences based on the severity of the infraction. To prevent such occurrences, it is the responsibility of every individual to familiarize themselves with the ethical code, incorporate it into their conduct, and consider it in their decision-making.

In conclusion, it can be stated that ethics in the knowledge society represents a critical challenge for modern organizations. With the rapid advancement of technologies, access to information, and globalization, it is essential that ethics is an inherent part of decision-making processes at all levels. The integration of ethical values into knowledge management processes is indispensable for maintaining the credibility of organizations and their long-term success. The future of the knowledge society hinges on our ability to balance technological innovations with accountability towards human rights, social justice, and environmental protection. Ethics should serve as a key navigational tool in this dynamic and complex world, which is increasingly focused on the value and sharing of knowledge.

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