

## PROMOTING BUSINESS ETHICS IN BELARUSIAN BUSINESS SPHERE

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Philosophers have been discussing ethics for at least 2500 years, since the time of Socrates and Plato. But the term “business ethics” came into common use in the USA in the early 1970s but the interest in business ethics accelerated during the 1980s and 1990s.

Ethics is a set of basic concepts and fundamental principles of decent human conduct. It includes study of universal values such as the essential equality of all men and women, human or natural rights, obedience to the law of land, concern for health and safety and, increasingly, also for the natural environment [1].

According to Kirk O. Hanson, executive director of the Markkula Center for Applied Ethics, business ethics is the study of the standards of business behavior which promote human welfare and the good [2].

Today more and more people around the world are realizing that business is the most important part of our society, because it carries out significant social and moral purpose, namely the satisfaction of human needs, which in turn helps to increase the well-being of society. Profit as the purpose of business can be seen as ethically neutral, but it can also be a moral purpose by ensuring a balance between profit and social orientation of business.

Acting in an ethical way involves distinguishing between “right” and “wrong” and then making the “right” choice. Such values as respect, honesty, fairness, responsibility are ethical principles. Business ethics presupposes such activities as charity and philanthropy. Belarusian companies and organizations

such as Velcom, Belneftekhim, “VTB Bank (Belarus)”, JSC “Belaruskali”, “Grodno Azot”, JSC “Development Bank of the Republic of Belarus “, JSC”Naftan “ were awarded for their contribution to the development of national culture.

At the same time it is relatively easy to identify unethical business practices. Business ethics is aimed at fighting corruption, fraud, theft, violation of the principles of fair competition, unfair practices in pricing and trade fraud on the market of consumer goods and services.

Business ethics carries out a number of important functions:

1. Improves business efficiency by optimizing the purposes of liquidity growth.
2. Stabilizes markets, including financial markets, and as a consequence, contributes to the growth of demand in the value of assets;
3. Reduces risk and also promotes the growth of assets;
4. Reduces operating expenses of the company;
5. Promotes the development of the best business decisions in short-term and long-term period;
6. Through self-regulation and self-monitoring reduces the need for intervention of government regulation [3].

According to Professor Kirk O. Hanson five ways to think ethically are distinguished:

1. Analyze whether the proposed behavior promotes the greatest good or the greatest human welfare;
2. Identify the legitimate rights or human rights of individuals or groups affected and the duties of the actors;
3. Analyze whether all parties are treated fairly – that is equally or differently only if there is a legitimate reason to do so;
4. Analyze whether the proposed behavior is consistent with recognized virtues;
5. Ask whether the common good is adequately served [4].

Professor Kirk O. Hanson also suggests four strategies for companies to manage ethics which can be taken into account by Belarusian companies as well:

1. Relying on employee values

Everyone in the company is ethical and honorable and it is necessary to take into account individuality when it is time to make a decision.

2. Compliance

Even if managers trust people and personnel respect managers, it is necessary to remember that the behavior should be controlled.

3. Ethic exhortation

The head of the company should constantly motivate employees and be an example of right behavior for his people.

4. Managing values

It is very important to define corporate values and principles, follow them and frequently renew [4].

In today's world ethics in business plays a significant role. In spring of 2015 Laboratory of Axiometrical Research (Belarus) conducted a survey of 416 small and medium-sized private enterprises on the development of small and medium-sized enterprises in the Republic of Belarus. The survey examined the most important problems in the area of entrepreneurship. According to the survey only 8.4% of respondents considered the problem of low level of ethics in the company to be significant; 16.8% of respondents mentioned the problem of corruption and crime as the most important ones. The latter problem is a bright example of violation of business ethics [5].

The results of the survey finding out the initiator of corruption in our country are presented in the table:

Table – Initiators of corruption in the Republic of Belarus, 2015

	Quantity	%
Civil servants	104	35,25
Business representatives	33	11,19
Difficult to answer	158	53,56
In total	295	100

Note: The source – own elaboration on the basis of [5].

As we can see from the table, businessmen believe that the main initiator of corruption is civil servant. However it should be taken into account the fact that more than 50% of respondents did not answer the question.

Also, 66.6% of respondents believe that there were no changes in the level of corruption over the past 2015. According to small and medium-sized private enterprises the main reasons for corruption are the following: self-interest of civil servants, social acceptance of corruption, lack of fiscal control over income of civil servants, lack of the work of agencies combating corruption.

Taking into account the mentioned above data it should be considered that to combat the problem of corruption it is necessary to pay attention to the public sector. The organizational structure that contributes to the solution of business ethics issues in the Republic of Belarus is the National Platform of Belarusian Business that was established in 2014. Over 20% of respondents mentioned that this platform could help in solving the problem of unfair competition, bureaucracy and social partnership [5].

Ethical behavior creates positive public image. To have a positive image, businesses must operate ethically regarding the treatment of employees; also it concerns the respect to the surrounding environment and fair market practices in terms of price and consumer treatment. It is necessary to introduce a range of additional measures to promote ethics in business area of Belarus. In this respect it is possible to use foreign experience taking into account national peculiarities. Therefore, **one of the first steps** could be the creation of ethics code that reflects the principles of organization, rules of conduct for employees and sanctions for their violation.

**The second step** is the creation of a special unit responsible for carrying out the ethical policy.

**The third step** is the creation of various communication channels, enabling employees to report evidence of unethical behavior and ask for advice about behavior in difficult situations.

**The fourth step** – development and implementation of training programs aimed at training professionals to analyze and behave right in ethically ambiguous situations.

#### References

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