

ETHIC AND INTERNATIONAL RELATIONS

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Abstract

Ethics in business deals with: “defining the essence of a satisfying human life”. In other words, the aim of ethics in business is to analyze and criticize the business practices and to advise businesspersons about how to fundament their options and take the right decisions.

Ethics is a much more general term than social responsibility, as it covers both internal and external relations in an organization. The business behaviour of entrepreneurs, of every business partner and top manager must be based on the following values: honesty, integrity, trust, loyalty, fairness, concern for others, respect for the law, dedication to excellence, search for positions of leadership, responsibility.

Key words: *Ethic, business, organization, employees.*

JEL classification: M20

INTRODUCTION

The main principles of organizational ethics are decisive when it comes to the relations with beneficiaries, shareholders, employees, suppliers, the competition and the international business community. Such principles are: responsibility for one’s own business; leading the economic and social impact of business towards innovation, justice and towards a world community; having a business behaviour which involves respect for rules and regulations support for multilateral trade and respect for the environment.

The Principles of Ethics in International Relations

Ethics in business deals with: “*defining the essence of a satisfactory human life*”. In other words, the aim of ethics in business is to analyze and criticize business practices and to advise business people about how to fundament their options and take the right decisions.

Ethics is a much more general term than social responsibility, term which covers both internal relations and external ones in an organization. Business behaviour of entrepreneurs, of any business partners and of top managers must be based on the following values:

Honesty - implies a conduct incompatible with the deliberate omission of certain aspects and the selection of information.

Integrity – an upright/untouchable businessperson will act properly, even when he/she is pressed to act otherwise.

Trust – if a reasonable effort to carry out a verbal or written agreement can be made, it should be. An unreasonable justification for avoiding responsibility is not to be invoked.

Loyalty - towards persons or the institution implies avoiding to make pressures and to use influences that generate conflicts of interests.

Fairness - supposes the same just/fair/correct attitude in all businesses. Power will not be exerted in an arbitrary way, nor will something indecent be done for winning or maintaining an advantage. The ethical businessperson is dedicated to justice, equality and tolerance.

Concern for others - implies compassion, volunteering and kindness. One should aim to accomplish his objectives in a way that causes the least harm and generates the best options for the others.

Respect for the law - implies unconditioned acceptance of laws, standards, rules and regulations regarding the business.

Dedication to excellence – aims at professional excellence, meaning the constant increase of efficiency, of permanent information.

Search for a leadership position – will represent an ethical model and will ensure a positive example for others.

Responsibility – consists of accepting personal responsibility for the ethical quality of personal decisions and for omissions.

The main principles of organizational ethics are:

Principle 1: Responsibility for one's own business

The value of any business for society is appreciated in accordance with welfare and the work places it creates, as well as the products and services towards clients at reasonable prices, according to the provided quality. In order to create such a value, the business should maintain its own stability and viability, but just surviving is not enough.

Businesses play a decisive role in improving everybody's life: clients, employees and shareholders by sharing with them the level of welfare that they've reached. If competitors prove they can carry out their obligations honestly and correctly, then it becomes credible that they are ordinary citizens, loyal within the community they live in.

Principle 2: The economic and social impact of business: towards innovation, justice and a global community

Businesses developed in other countries should also contribute to their social progress, by creating new work places and by supporting the increase of citizens' purchase power. In addition, businesses must contribute to the consolidation of human rights, to the educational process, to general welfare and to the vitalization of their native countries. Businesses should play their part in economic and social growth, not only in the countries where they function, but also in the entire world community, by efficiently and carefully using its resources, by pointing themselves towards innovation in technology and in management (new ways of leading, marketing and communication)

Principle 3: Behaviour in business: beyond the letter of the law, towards a spirit of mutual trust

Whereas the legitimacy of keeping the secret of sales is widely accepted, businesses must promote the respect of agreements, as well as full transparency, not just for their own credibility and stability, but also for the smooth and efficient completion of transactions, especially on an international level.

Principle 4: Following rules and regulations

In order to avoid misunderstandings, and in order to promote free trade, equal conditions of competition, righteousness and fair treatment of all participants, businesses must be aware of the fact that although some conducts are legal, they may, in certain situations, negatively affect business partners.

Principle 5: Supporting multilateral trade

Businesses are to support multilateral transactions, in the spirit of international rules and all other agreements between nations. Organizations of businesses must cooperate in their common effort to promote free trade and to relax domestic procedures unreasonable to global commerce, while maintaining the priority of national policy objectives.

Principle 6: Respect for the environment

Every business should protect the environment and, if possible, decrease the level of pollution, promote consistent development of organizations and prevent the waste of natural resources.

Principle 7: Avoiding illicit operations

Businesses must not be affected by bribes, by money laundering or other corruptive conducts. Moreover, every private entrepreneur who promotes the principles of ethics in business will have to look for cooperation with others in order to eradicate such conducts. Ethical behaviour in business is incompatible with gun trade or any other materials used by terrorist groups, drug trade or other criminal acts.

Businesses are to be based on an ethical conduct towards all partners of trade. This conduct is to be found especially in the following principles:

Ethics in the relationship with clients

All clients are to be treated with dignity, irrespective of the fact that they acquire their products directly from the company or not. The supplying company has the following responsibilities:

- ✓ *to ensure that clients get the highest level of quality for products and services*
- ✓ *to treat all clients fairly, in all shapes and on all levels of transactions*
- ✓ *to undertake all necessary efforts in order to make sure that the products and services maintain or increase the welfare and safety of clients, as well as the quality of the environment*
- ✓ *to ensure the respect of each individual's dignity through the products they offer*
- ✓ *to respect the cultural integrity of clients*

Ethics in the relationship with employees

The management of organizations has as its goal the respect of every employee's dignity, and should seriously take into account their interests. To this respect, the company has the following responsibilities:

- ✓ *to ensure enough work places and compensations for the improvement of the employees' condition;*
- ✓ *to ensure work conditions which respect the health and dignity of every employee;*
- ✓ *to ensure honesty in communicating with employees and to be open to the spread of information, a spread only to be limited by legal restrictions or limitations regarding the necessary level of secrecy as far as competition is concerned;*

- ✓ *to listen, and wherever possible, to act according to suggestions, ideas, requests and complaints that employees have or make;*
- ✓ *to put up a fair fight when conflicts rise;*
- ✓ *to avoid discrimination and to grant equal treatment regardless of sex, race or religion;*
- ✓ *to promote employees according to their skills and performance;*
- ✓ *to ensure employee protection against disease and workplace accidents;*
- ✓ *to encourage and assist employees in developing aptitudes and in obtaining qualifications for their work*
- ✓ *to show sensitivity to serious problems regarding unemployment and problems frequently linked to managerial decisions and government rules*

Ethics in the relationship with shareholders / investors

The company is to honour the investors' faith in it. From this point of view, the company has the following responsibilities:

- ✓ *to practice a professional management in order to ensure the safe and due reward of the shareholders' investment;*
- ✓ *to communicate relevant information to shareholders / investors, information which is to be limited only by law or competition requirements;*
- ✓ *to preserve, protect and increase the share capital;*
- ✓ *to give course to requirements, suggestions, complaints and resolutions that shareholders / investors may have.*

Ethics in the relationship with suppliers

The business relationship with suppliers must be based on mutual respect. From this point of view, the company has the following responsibilities:

- ✓ *to look for fairness and trust in all relationships with suppliers, including those regarding prices, licences and other rights;*
- ✓ *to convince suppliers of the company's dedication to business without lobby, pressure or useless litigation;*
- ✓ *to look for long-term business relations with suppliers, based on volume, quality and reliability of resources and services;*
- ✓ *to exchange information with suppliers and to involve them in the process of company planning;*
- ✓ *to pay the bills in time, and according to terms as resulting from contractual agreements;*
- ✓ *to look for, encourage and prefer suppliers whose practices in the relationship with their employees respect human dignity.*

Ethics in relationship with the competition

The prosperity and progress of a nation is based on ensuring a climate of loyal competition. The company's responsibility in this field deals with abiding by the following principles:

- ✓ *the increase in number of markets open to trade and investment;*
- ✓ *promotion of a competition behaviour which should be socially and environmentally beneficial, and the proof of mutual respect for competitors;*
- ✓ *avoiding to look for favours which would guarantee the "securing" of competition;*

- ✓ *the respect of tangible and intellectual property;*
- ✓ *the refusal of obtaining commercial information by dishonest and non-ethical means, such as industrial espionage.*

Ethics in the relationship with the community

Individuals can contribute to the reform of human rights and to prosperity in general. In this respect, they have the following ethical responsibilities regarding business conduct:

- ✓ *respecting human rights, democratic institutions, and promoting them;*
- ✓ *admitting the Government's legitimate obligation to the society, and supporting practices and policies which promote human development through harmonious relationships between the field of business and other segments of society;*
- ✓ *collaborating with those communal forces dedicated to elevating the standard of living, of education, of increase in safety at the workplace and of welfare;*
- ✓ *promoting and stimulating consistent development together with the task to actively militate for the protection of the environment and preservation of natural resources;*
- ✓ *upholding peace, security and social integration;*
- ✓ *being good citizens of the business community by supporting charitable donations, by personal cultural contributions and by participation and dedication in work as an employee and as an actor in the business community.*

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