



Business Ethics

One of the primary objectives in the areas of ISS activity is to promote democracy and civil society development. An essential part of a well-functioning democracy is: ethical and socially responsible business that particularly affects its surrounding environment. That is why we decided to include this research area into our plans and further develop it through conducting conferences, workshops, and reports as part of a *Business Ethics* program.

Business Ethics

There is a strong conviction in the global economy that ethical conduct is an essential condition for running a business. Ethical behavior at companies brings long term economical effects and creates a positive image. Moreover, it molds desirable relations with other actors in the economic life, such as customers, deliverers, employees, financial institutions, local communities, and media. Those relations are based on the confidence.

Abusing this confidence by applying unethical behavior in business can bring only short-term profit. In a modern economy, where company image and prestige are important, such activities can affect a company's credibility and, as a result, can diminish corporate value in the eyes of potential customers. It is of high importance to stigmatize reprehensible corrupt activities. In particular, corruption that brings business and state representatives into contact is destructive, not only for the company's reputation but also in that it undermines the state authority. Therefore, in executing the program, we would like to think over solutions that could assist to develop transparent rules between partners, especially when the government is both "market regulator" and important shareholder of the Polish enterprises.

Economic conditions for running a business, the problems, and the challenges, have been changed. Business ethics has become as important as productivity, work organization, product quality and profit margins. System transformation and changes in the economic system have caused behavioral change among people who run their own firms. Business ethics is perceived to be a signpost of desirable behavior in business. Moreover, a significant part of ethics in business is proper relations between all partners in the economic venture: employer – employee, deliverer – customer, manufacturer – consumer.

Nowadays, success is not the only measure of the economical activity. The activity is also evaluated from ethical point of view. Recently, business ethics has become an independent, growing discipline in the West.

With this project, we would like to support and mobilize Polish entrepreneurs to implement and use the rules of ethical business in the context of European integration and growing market demands.

Presently, everything that happens in the EU concerns Poland, as its member. The aim of our project is to popularize the idea of business responsibility, making it widespread and adopting western experiences.

One of the crucial conditions for reaching stable, competitive growth and profit, is to obey ethics as a principle in business. In this case, ethics is strongly bound up with reputation. The company, possessing all necessary recourses, could respond to signals from the market, applying deliberate and well managed strategies.

If the market puts company's conduct into question, something more than efficient management will be needed. The company's code of business ethics tells everyone from worker to customer and investor what the company stands for, and how to execute plans for products or services it markets. Recent studies made clear that corruption remains one of the main challenges in Central Europe. According to the last opinion from Transparency International regarding corruption, Poland is placed on the top of the shameful list, as one of the most corrupted among new members of the EU.

Polish efforts to attract greenfield investment have raised the awareness of necessary standards for ethical conduct by businesses and government helping to increase economic growth.

Progress in fighting corruption and encouraging ethical business conduct must be measured against the general criteria such as business culture and the attitude of bureaucrats, as well as by practical measures such as the improvement in business transparency resulting from the introduction of modern accounting standards. More importantly, a business code of ethics is a voluntary and independent initiative of businesses that cannot, by the nature, be a regulated mandate by law. However, entrepreneurs are able to receive certificates, confirming their commitment to the ethical aspects of their business relations. Therefore, Polish and foreign businesses operating in Poland have, in their own interest, a responsibility to develop and introduce a business code of ethics.

The Institute for Strategic Studies has developed its program to assist and encourage Polish entrepreneurs to implement a code of business ethics in the context of European integration and growing market demands.

Our proposal aims for both, exposing European business ethics and ways of conducting business in Europe and globally. The goal is to inform Polish entrepreneurs and public opinion about the importance of introducing ethical standards into the economic sphere of social life. This significance is further enhanced by Polish accession to the European Union.

During the conference, EU programs of social responsibility and trade practice standards (already existing in Poland) will be presented to the public.

We strongly feel that ethical behavior in business is more than a reaction to the latest financial and economic scandals – it is great challenge for entrepreneurs and their partners.

Aims of the Project

- To raise the awareness of the importance of ethical business conduct among Polish entrepreneurs, government, administration and citizens
- To provide convincing arguments for a business code of ethics in Poland
- To propose effective solutions and advice on developing and improving a business code of ethics
- To introduce experiences of business in applying a code of ethics
- To forge contacts with the parties engaged in developing corporate culture based on a code of ethics and social responsibility
- To participate in a broader discussion on the European dimension of ethical business conduct

Topics Proposed:

- European and international ethical standards and social responsibility of business
- Current state of affairs in legal and administrative preparations to adapt the European social responsibility standards
- Business code of ethics and the consumers
- Good praxis of corporate supervision in relation to the European standards
- Experiences of the Polish Business Ethics Association (*EBEN Polska*) in promoting European standards in business
- Ethical business standards in the context of multiculturalism, changing environment, and virtual enterprise
- Corruption in the process of business conduct and modes of its prevention
- Role of the Supreme Chamber of Control in corruption prevention
- Social responsibility of business- American and European experiences
- Shaping social responsibility of business in Poland

Workshops for the Entrepreneurs

We aim our program at wide group of entrepreneurs. The workshops will be a forum for exchanging views between the enterprises, both large, international and small, family companies. We would like to create an opportunity to meet reciprocal expectations. The companies that have experience in initiating an ethics code could present how ethics standards stimulate their progress. What is more, it is possible to point out how unethical business partners' behaviour can cause a crisis in economic activities.

The following element of our project, workshops, has been aimed at enterprises which are either implementing or improving existing ethical standards.

The project addresses following basic questions:

- Why does your company need a business code of ethics?
- What are the most relevant categories and areas to be included in your business code of ethics?
- What steps should be taken in order to implement and maintain rules of a business code of ethics in your company?
- How to strengthen understanding and use of a code of ethics among the entrepreneurs and employees?
- What is the role of the Polish government in supporting business conduct in accordance with a code of ethics

Report

A special report will be published as a final outcome of the project. It will address, among other things, the following issues:

- The EU members' experience in shaping ethical business, especially under circumstances of more and more tightening co-operation in the enlarged European Union
- Possibilities of transferring and implementing model solutions in Poland
- An analysis of a business ethical conduct in Poland
- Effective ways of anti-corruption combat

- Benefits from conducting ethical and socially responsible business

Scope of Activity

The program is aimed at the Polish entrepreneurs from around Poland, active on the market and willing to expand their knowledge on the issue of business ethics.

Direct Group

As many as 100 entrepreneurs, both members and non-members of chambers, industrial associations, politicians, experts, local authorities, journalists, and academic society.

Indirect Group

This group will consist of those members of chambers and associations or employees to whom the direct group will pass on the knowledge. The next indirect group will include those who will become acquainted with the issue by reading the publication. All interested parties and individuals will be able to get the publication by mail or download it from the ISS web-site, as well as from a web-site designed for the purpose of the program.

Another part of the indirect group will be the Internet users who will be able to access the conference materials and share opinions on the discussion forum.

Modes of Recruiting the Participants

Invitations will be directed to the enterprises, industrial organizations, chambers, associations and other organizations. Also, announcements on planned seminars and workshops will be published in specialized magazines that are aimed at particular groups.

Modes of Realization

The Institute for Strategic Studies for nearly ten years has been running meetings, expert seminars, international conferences and public debates, which, professionally organized, enjoy much attendance and esteem among our participants and partners. Our success derives from the considerable experience of our team. Moreover, ISS is realizing its activities through cooperation with the volunteers and freelancers: students of Cracovian universities, PhD students and academics. With such a broad and experienced human potential, ISS is able to guarantee a high organizational level. It has become a tradition that every new project gathers a set of people who consistently work together to the very end of a project. Such an approach ensures continuity of activities as well as quick and professional operation.

While working on our projects we aim to fully engage local communities, authorities, media and NGOs.

Project Promotion

Project promotion will focus on:

- Providing announcements on the project in specialized magazines and local newspapers
- Using the ISS contacts with media and publishing articles on the planned project

- Sending information on the project to industrial organizations, chambers etc.
- Providing information on the ISS web-site
- Inviting journalists to the program.

Information for Partners

Civil society, rule of law, democracy, and pure and ethical business are the superior values for ISS. For us these values constitute the basis for a well functioning state.

We are going to invite and cooperate with those partners who share the above mentioned values. Not only will the engaged institutions get a chance to contribute to the implementation of ethical business standards, but they will also be perceived as ethical business makers themselves.

Our project will be beneficial for the participants and organizers. Both will gain the reputation of ethical and reliable business partners. The publication, a so called *bible* of ethical business, will be the final outcome of the project. ISS will do its best to ensure the highest standard of its publication, guaranteed by authors -- the top specialists -- so that the publication will be desired by those entrepreneurs who want to ensure their positive image. The publication will be distributed to business associations, clubs, chambers etc. as well as to politicians and journalists.

Within the framework of this project we plan to organize a contest for the most effective entrepreneurship/institution in implementing ethical business practices. The winner will be granted a symbolic statue of *Astrei*- goddess of justice. For the purpose of the contest, a special jury will be established and will include highly esteemed politicians, journalists and academics. The jury will act in accordance with previously established criteria.

Our Proposition for *Business Ethics* Partners

- Printing corporate logos on invitations, conference materials, information for media and publication
- Distinguishing logos and banners during the conference and workshops
- Adding to the conference materials and publication of brief information about one's activity
- Offering free copies of the publication (in a number agreed in a contract)
- Possibility to indicate a number of (in accordance with a contract) companies/institutions, which will participate in the project
- Possibility to influence the content of the project
- Possibility to present itself during the conference (opening remarks and/or issue-related presentations) and workshops