

## Business ethics

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A lack of knowledge about good business practices is preventing Azeri companies from developing their domestic and foreign markets, according to the local branch of Transparency International (TI). "Azeri bosses are mostly Soviet-style administrators rather than Western-style managers," Rena Safaraliyeva, the executive director of the Azerbaijan branch of TI told CBN. "If the head of a company chooses an authoritarian management style, as a result he often loses money. More frequently, the most valuable ideas come from the employees and the ability to use these ideas requires good management skills," she says. According to Safaraliyeva, sooner or later, Azeri managers will understand that the ability to use these ideas can bring sizeable profit and benefit everyone. To improve the situation and help businesses in Azerbaijan, TI has organized a series of seminars on business ethics for Azeri businesses. The project, funded by the Norwegian Embassy in Baku, is devoted to various aspects of business ethics and aims at the introduction of Western business ethical principles and standards into local business practice. Ethics handbook planned "At the end of the project we are planning to publish a business ethics handbook to allow businesses to check their own ethical standards and self-train," Safaraliyeva says. The TI official says that generally businesses do not know, for example, what a "conflict of interests" is. "Azerbaijan is a small country with strong family and clan ties," Safaraliyeva says. "For instance, if a company announces a tender, there is good chance that the company manager personally knows heads of three out of five bidders. This is the time when he has to know how to solve this sort of problem." Before the training sessions started, Transparency Azerbaijan (TA) conducted a poll last September to assess the interest of local and foreign businesses in courses on business ethics. "With the assistance of the British, American and Russian embassies, we sent out questionnaires to companies. Analyzing the responses, we found that Azeri companies were extremely interested in such training sessions, while small and medium-sized foreign companies were sometimes interested in such courses. The larger foreign companies showed no interest in the project, as they conduct their own similar training courses," Safaraliyeva says. During its seminars aimed at improving business ethics in the area of relations with clients, personnel and the government, TA includes practical cases adapted for the Azeri business environment. Using local examples "We use examples about Azerbaijan taken from the newspapers or straight from the businesses themselves. If there is no Azeri case available, we use the international experience," says Safaraliyeva. "Thanks to the Turkish businessmen we have learnt much about business ethics in area of customer service, but they still have some problems in personnel management ethics. As far as relations between businesses and the government are concerned, these problems should be solved with participation and goodwill on both sides," the TA official says. Giving examples of the business behavior, the lecturers at the

seminars take into account the Azeri mentality and explain to auditory that is the way they should follow in western business atmosphere. Safarliyeva gives a typical example. "In the West a doctor should tell his or her patient that they have cancer. In Azerbaijan, a doctor cannot say this to the patient. He can say it to his relatives, but not him. We cannot force people to copy such principles blindly," she says. According to Safaraliyeva, the two seminars TA has held so far have been received by businesses with interest. "We expected 20-25 participants and had over 40 for both of the seminars," she says. "We received very interesting feedback and commentaries from businesses, especially from AZEL managers ready to share their practical experience." "The representative of the Ministry of Economic Development who participated in the seminars promised to relay back to the ministry the suggestion to establish regular meetings among top officials and a board of business associations to enable businesses to relay their problems first hand and lobby for their interests," she says.