

## **ETHICAL COMPONENTS OF MANAGERIAL DECISIONS IN THE CONDITIONS OF THE GENERAL ECONOMIC CRISIS**

Attempt to understand possible worthy ways how to exit from a general economic crisis in case of a country which economically oriented to mineral resources leads to a conclusion about necessity of taking a more attentive account of ethical (geoethical) factors for any decision concerning further development of the country. Usually legislative and documentary components are made out but the ethical component of decisions accepted in the conditions of crisis is not always obvious.

In the history the mankind has developed only three basic tools of management:

1. Hierarchy, that is the vertical organisation, where the basic lever is a pressure upon the person from above, compulsion, relations in system «authority – submission»;
2. Aggregate of equal relations on a horizontal, which have been based on interests of the seller and the buyer of production and services, on property relations;
3. Ethics and culture, that is values developed and recognised as a society, social norms, installations, behaviour templates, rituals which force the person to behave so, instead of differently.

Thus all three principles of management are used by each society simultaneously, but in different parities (fig.).

Undoubtedly, the hierarchy is the most powerful tool of management as it is used by the state (the federal centre) in mutual relations with regions and the mineral industry companies through definition of main objectives and problems, through carried out in mineral resources sphere to the policy, through creation of a legislative system. A state policy in sphere of subsoil use and the legislation define mutual relations of the mineral industry companies among themselves and with consumers. Here again the major aspects are the free competition, a freedom in choosing of economic objects, equality physical and legal bodies in entrepreneurial activities, the sovereignty of consumers, antimonopoly mechanisms. The values developed in a society, rules and priorities will define fair (from the point of view of a society at the given stage of development) principles of distribution of incomes from mineral resources operation, necessity of coordinating interests of all social groups connected with use of the geological environment and intrusion into it.

In any society there are various groups of people, each of them with peculiar concrete group ethics. But in a society with economy based on operation of raw materials, in our opinion only two groups exist: one supervising mineral resources and incomes from their operation and the other deprived of the similar control over mineral resources. This second group is deprived of such a possibility not because of some unfair arrangement but simply because it is technically impossible for each member of such a society to directly influence a part of mineral resources "belonging" to it. Therefore a society with an economic power consisting in mineral resources, the existence of effective mechanisms of social availability of mineral resources is important.

Intrinsic features of mineral resources are exhaustion, non-renewability, deficiency (limitation) and their belonging to both present and future generations. These features are of fundamental importance for managerial decisions in the economic sphere.

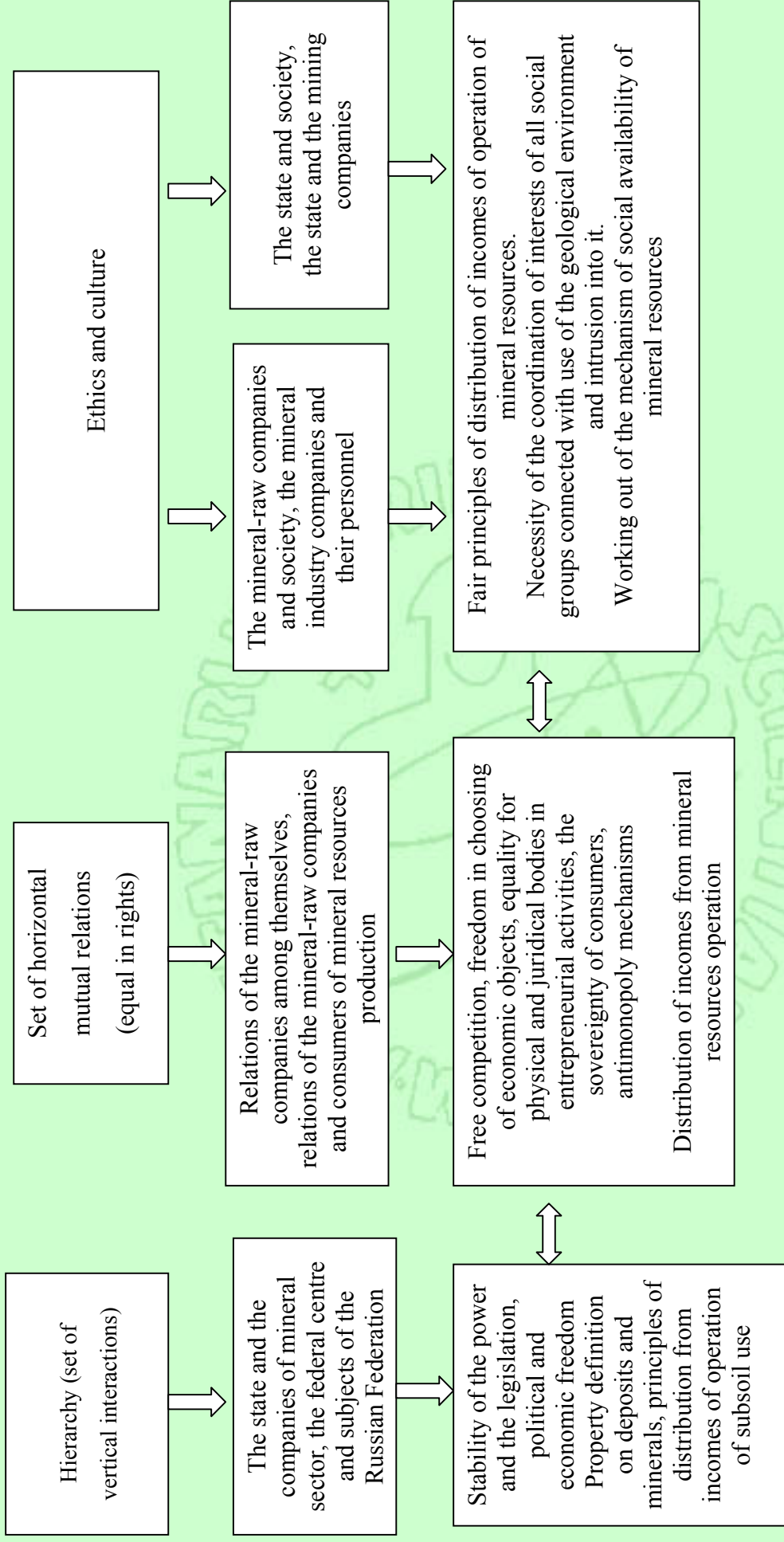


Fig. Management tools

In conditions of an economic crisis, because of objective functioning of economic development laws, there is a decreased use of such tools as «ethics and culture». The main organizing mechanism of economy (making of profit, aiming only at economic results) becomes the morals basis. The ethical group supervising mineral resources inevitably changes motivation for managerial decision making. The motto «It is ethic, if it allows to us to supervise mineral resources» becomes major principle here. This principle actually substitutes motivation for strict accounting, at that time when ethical responsibility for made decisions, prudence (a debt in relation to itself), duties in relation to near, honesty and charity are required.

Major principle here expresses by the motto «that allows us to supervise mineral resources» becomes ethic, actually substituting motivation for strict accounting, at that time when ethical responsibility for decision making, prudence (a debt in relation to itself), duties in relation to the near man, honesty and charity are required.

### **Conclusions:**

In the conditions of a general economic crisis it is necessary:

1. to keep and to increase influence of such economic tool as «ethics and culture»;
2. to rationalize maintenance with mineral resources, their using and consumption;
3. to mastermind and introduce the effective mechanism of social availability of mineral resources by means of general and fair distribution of incomes from exploiting mineral resources;
4. to make a basis for preparing administrative decisions in a mineral resources complex with an incorporated social responsibility of leading scientists and organizers.