

# The Role of (Un-)Ethical Business Practices in Women's Entrepreneurship in Georgia

## I. Introduction

### Principal Topic

- Examination of individual, organizational and environmental factors influencing ethical decision-making of women entrepreneurs in transition economies (TE).

### Research Question

- How do individual moral standards and local unethical business practices influence the entrepreneurial journey of women entrepreneurs in Georgia?

### Research Goal

- To understand how (un-)ethical business practices support or constrain women entrepreneurs in order to recognize and exploit entrepreneurial opportunities under turbulent circumstances.

### Contribution

- To develop the first knowledge base in the field of women entrepreneurship and business ethics in Georgian context.
- To contribute to a broader understanding of the role and the impact of local (un-)ethical business practices in achieving entrepreneurial success of women business owners in transition economies.

## II. Theoretical Background

- Rest (1986): A four-component model  
Recognize the moral issue; Make a moral judgment; Establish moral intent; Act on the moral issues
- Trevino (1986); Rest (1986)  
Individuals make moral judgments based on their individual moral philosophy (deontological perspective vs. utilitarian perspective)
- Donaldson and Dunfee (1994)  
Local ethical norms are important moderator for ethical judgment made by managers
- Gilligan (1982)  
Women's sense of responsibility and care for others is integrated in women's self-confidence and morality. Men's more formal, rule-oriented "ethic of justice" is contrasted with women's contextual, needs-oriented "ethic of care"

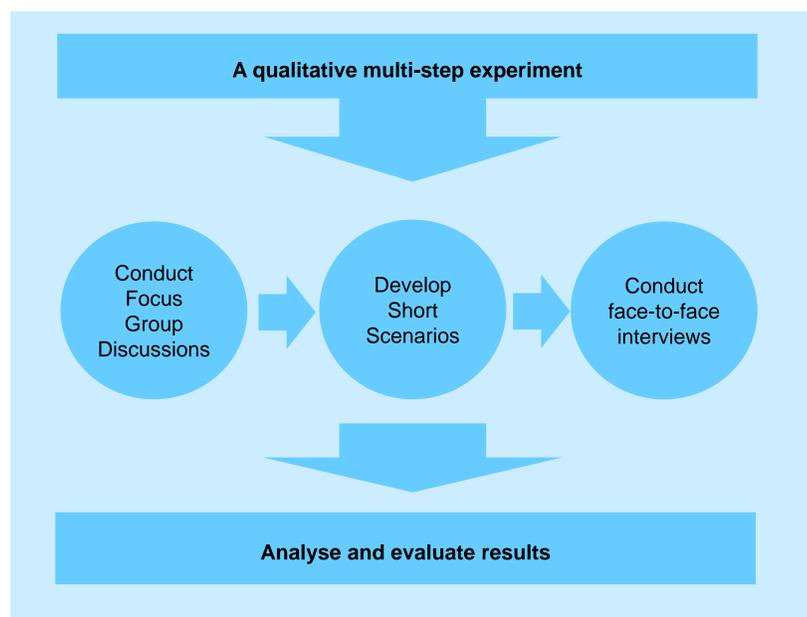
## III. State of Research

- Importance of ethical standards in gaining success in entrepreneurship (Chen et al. 2016)
- Lack of ethical responsiveness in many transitional economies (Deshpande et al. 2000; Markova 2016)
  - In Soviet Union entrepreneurial activity was generally prohibited (Chepurenko 2015)
  - Turbulent transition period strengthened unethical behaviour and immoral practices like bribery, personal favors, nepotism, and cheating (Markova 2016)
- Entrepreneurs develop their own ethical values. In turbulent circumstances they do anything to gain success (Qian 2014)
- Women are more likely to be ethical than men (Glover et al. 2002; Chen et al. 2016)

## IV. Derivatives

- Some local unethical business practices hinder women to exploit entrepreneurial opportunities
- Women entrepreneurs have high moral philosophy
- More involvement of women in business in TE would improve the ethical awareness of managers

## V. Methodology



## VI. Key Challenges

- Difficulties in empirical research in organisation and management studies in transition economies (e.g. Michailova and Liuhto 1999)
- Lack of reliable databases, registers or archives that may provide the preliminary information
- Most data is based on reports of international organisations
- Most scientific literature is in Georgian language thus inaccessible to an international audience
- Challenges in getting access to the field
  - Issue of secrecy and mistrust
  - Lack of giving feedback culture



Georgia, VectorStock Free Map Image

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