

BUSINESS ETHICS IN THE REPUBLIC OF CROATIA — RESULTS OF A STUDY

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1. *Purpose of the study*

- a) to examine the factors influencing the behaviour and actions of persons who have the authority and duty or responsibility to contribute to the general welfare and the common good; and,
- b) to examine the factors preventing or impeding ethical behaviour in the Republic of Croatia.

The starting hypotheses are as follows:

H₀₁ Business ethics is an important factor affecting individual business behaviour in the Republic of Croatia

H₀₂ — Employee education in the field of business ethics is given sufficient attention

H₀₃ Business decisions are made in line with ethical principles

H₀₄ Power as an ethical principle renders it possible to make business decisions that can contribute to the general welfare and the common good

These assumptions were arrived at based on theoretical knowledge which is believed to be as yet unconfirmed in our practice.

2. *Methods and procedure of the study*

Once the objectives of the study were determined, the *questionnaire method*, which means collection of data through a written questionnaire, was selected for collection of necessary data (Annex 1).

The questionnaire was intended for adult natural persons of different vocations. It consists of three parts.

The first part is the introductory letter providing basic information about the interviewer, objectives of the questionnaire and the reasons why respon-

dents should take part in the questionnaire and give candid answers. Also, assurances are given about the anonymity of the questionnaire and confidentiality of data provided by respondents, which are to be used solely for the purposes of the study. The second part comprised five basic questions related to the legal status of the respondent's employer, the respondent's age, qualifications, position and years of working experience in "important"¹ positions. The third part of the questionnaire comprised nineteen questions related to the field of business ethics.

Questions were prepared in closed and combined form, meaning that for ten questions the respondents had to circle one of the suggested answers, and for nine combined questions the respondents had to circle one or more suggested answers, or give their own answer.

The process was carried out by mail, by delivering the questionnaire by registered mail to the addresses of 700 respondents, although 300 questionnaires were distributed directly to respondents. One part of the respondents were selected randomly and the others directly.

The data received through the questionnaire were analysed employing the statistical software programme "Statistica Microsoft" on an IBM computer, which is used for statistical analysis of quantitative and qualitative data in social research.

In analysis, the most frequently used values were mean values as indicators of structure and relation (proportion). Arithmetic mean was used for presentation of results, and standard deviation and range for presentation of homogenic distribution. For structure testing, or testing of relative proportion in the answers provided by individual groups of respondents, the proportion test or z-test was employed.

For graphical representation, structure histograms, one- and two-dimensional histograms and pies were used.

2.1 Analysis and assessment of the study results

Questionnaires were delivered to 1000 addresses. 331 questionnaires or 33.1% were returned within 3 months. The questionnaires were delivered to natural persons employed in different organisations and others.

1 Employment in an important position means that the respondent was employed in a position that gave him certain powers in terms of making important decisions and issuing orders to others.

A) Basic information about respondents

Table 1

Number of respondents by type of organisation that employs them

| Number | Type of organisation | n ² | % of proportion |
|--------|--|----------------|-----------------|
| 1 | company | 120 | 36.25 |
| 2 | Other government institutions | 78 | 23.56 |
| 3 | Other (student, pensioner, unemployed) | 44 | 13.29 |
| 4 | Local government unit | 39 | 11.79 |
| 5 | Non-profit organisation | 33 | 9.97 |
| 6 | Government ministry | 11 | 3.32 |
| 7 | No answer | 5 | 1.52 |
| 8 | Croatian Parliament | 1 | 0.30 |
| | Total | 331 | 100.00 |

According to the indicators disclosed in Table 1, the majority of the respondents (120 or 36.25%) work in companies, followed by other state institutions³ (78 or 23.56%), students, pensioners and the unemployed (44 or 13.29%), employees of local government units (39 or 11.79%), non-profit organisations (33 or 9.97%) and government ministries (11 or 3.32% respondents). In addition, one respondent is employed by the Croatian Parliament, and 5 respondents or 1.52% did not state where they work. Considering the number of respondents and types of organisations that employ them, as well as the bracket they are representing, the results can give an objective view of the reality.

The table below provides information on respondents in view of their age.

Table 2

Number of respondents by age

| Number | Respondent's age | n | % of proportion |
|--------|--------------------------------|-----|-----------------|
| 1 | below 30 years of age | 52 | 15.71 |
| 2 | between 31 and 45 years of age | 142 | 42.90 |

2 n — number of respondents

3 Other government institutions because government ministries were singled out.

| | | | |
|---|--------------------------------|-----|--------|
| 3 | between 46 and 60 years of age | 121 | 36.56 |
| 4 | over 60 years of age | 15 | 4.53 |
| 5 | no answer | 1 | 0.30 |
| | Total | 331 | 100.00 |

Broken down by age, the highest number of respondents or 58.61% are 45 years of age or less, while 36.56% of respondents are between 46 and 60 years of age. Only 4.53% of respondents are over 60 years of age, and one respondent did not state his/her age.

The table below provides information on respondents' qualifications.

Table 3

Number of respondents by qualifications

| Number | Respondents' qualifications | n | % of proportion |
|--------|------------------------------------|-----|-----------------|
| 1 | University degree | 222 | 67.07 |
| 2 | Secondary school education | 58 | 17.52 |
| 3 | Student | 18 | 5.44 |
| 4 | MSc or Msci | 17 | 5.14 |
| 5 | PhD | 5 | 1.51 |
| 6 | Highly-skilled, skilled, unskilled | 5 | 1.51 |
| 7 | Other | 4 | 1.21 |
| 8 | No answer | 2 | 0.60 |
| | Total | 331 | 100.00 |

According to the results obtained, the highest number of respondents or 67.07% have a university degree qualification. If we add to these the respondents with MSc, Msci and PhD degrees, it follows that 73.72% respondents have higher education qualifications and presumably occupy important positions in their organisations.

Table 4 provides information on respondents and their jobs. According to the results disclosed in the table, the highest number of respondents (88.22%) work in positions requiring special knowledge and skills, out of which 6.95% are politicians, 31.42% occupy managerial positions, 37.46% advisory positions, and 12.39% of respondents answered that their position required special knowledge and skills.

Table 4

Number of respondents by job position

| Number | Job position | n | % of proportion |
|--------|--|-----|-----------------|
| 1 | Politician | 23 | 6.95 |
| 2 | Manager | 104 | 31.42 |
| 3 | Advisor | 124 | 37.46 |
| 4 | Position requiring special knowledge or skills | 41 | 12.39 |
| 5 | Positions with a lower level of responsibility | 14 | 4.23 |
| 6 | Other | 25 | 7.55 |
| | Total | 331 | 100.00 |

Also, in connection with the respondents' job positions, there was a question on years of experience in important job positions.

Table 5

Number of respondents by years of working experience in important job positions

| Number | Years of working experience | n | % of proportion |
|--------|---|-----|-----------------|
| 1 | up to 5 years | 56 | 16.92 |
| 2 | between 6 and 10 years | 55 | 16.62 |
| 3 | between 11 and 20 years | 56 | 16.92 |
| 4 | over 20 years | 27 | 8.16 |
| 5 | the respondent did not work in any important position | 125 | 37.76 |
| 6 | no answer | 12 | 3.62 |
| | Total | 331 | 100.00 |

Out of the total number of respondents, 33.54% had between six and twenty years of working experience in important job positions, 16.92% of respondents had up to five years of working experience in important job positions, and 8.16% of respondents had over 20 years of experience in important job positions. Also, 37.76% of respondents have never worked in an important job position, while 3.62% of respondents did not offer any information concerning their job position.

Below we provide you with the indicators related to special questions on ethics and business ethics.

Table 6

1. Do you know what ethics is?

| Number | Respondents by job position | Answer — yes | | Answer — no | | Total | |
|--------|---|--------------|--------|-------------|--------|-------|--------|
| | | n | % | n | % | n | % |
| 1 | Politician | 23 | 7.03 | 0 | 0 | 23 | 6.95 |
| 2 | Manager | 104 | 31.80 | 0 | 0 | 104 | 31.42 |
| 3 | Advisor | 124 | 37.92 | 0 | 0 | 124 | 37.46 |
| 4 | Position requiring special skills | 39 | 11.93 | 2 | 50.00 | 41 | 12.39 |
| 5 | Position with a lower level of responsibility | 12 | 3.67 | 2 | 50.00 | 14 | 4.23 |
| 6 | Other | 25 | 7.65 | 0 | 0 | 25 | 7.55 |
| | Total | 327 | 100.00 | 4 | 100.00 | 331 | 100.00 |

When asked whether they knew what ethics was, 98.80% of respondents answered affirmatively, and only four respondents or 1.20% of respondents did not know what ethics was, with two out of those four being employed in a position that requires special knowledge and skills, and two in positions with a lower level of responsibility. The respondents were asked whether they knew what business ethics was.

Table 7

2. Do you know what business ethics is?

| Number | Respondents by job position | Answer — yes | | Answer — no | | Total | |
|--------|---|--------------|--------|-------------|--------|-------|--------|
| | | n | % | n | % | n | % |
| 1 | Politician | 22 | 7.05 | 1 | 5.26 | 23 | 6.95 |
| 2 | Manager | 101 | 32.37 | 3 | 15.79 | 104 | 31.48 |
| 3 | Advisor | 122 | 39.10 | 1 | 5.26 | 123 | 37.16 |
| 4 | Position requiring special skills | 37 | 11.86 | 4 | 21.05 | 41 | 12.39 |
| 5 | Position with a lower level of responsibility | 10 | 3.21 | 4 | 21.05 | 14 | 4.23 |
| 6 | Other | 20 | 6.41 | 6 | 31.59 | 26 | 7.85 |
| | Total | 312 | 100.00 | 19 | 100.00 | 331 | 100.00 |

Also, a very high number of respondents or 94.26% of them answered affirmatively. However, it is an interesting indicator that one politician, three managers and one advisor did not know what business ethics was.

Nevertheless, indicators concerning ethics-related education programmes confirm that in the Republic of Croatia this type of education is still not being given sufficient attention.

Table 8

3. Have you completed any ethics education programme?

| Number | Respondents by job position | Answer — yes | | Answer — no | | Total | |
|--------|---|--------------|--------|-------------|--------|-----------------------|--------|
| | | n | % | n | % | Number of respondents | % |
| 1 | Politician | 4 | 5.19 | 18 | 7.09 | 22 | 6.65 |
| 2 | Manager | 32 | 41.56 | 71 | 32.48 | 103 | 31.12 |
| 3 | Advisor | 24 | 31.17 | 100 | 39.23 | 124 | 37.46 |
| 4 | Position requiring special skills | 7 | 9.09 | 32 | 11.90 | 39 | 11.78 |
| 5 | Position with a lower level of responsibility | 2 | 2.60 | 11 | 3.22 | 13 | 3.93 |
| 6 | Other | 8 | 10.39 | 22 | 6.12 | 25 | 9.06 |
| | Total | 77 | 100.00 | 254 | 100.00 | 331 | 100.00 |

Based on the data from Table 8, 76.74% of respondents did not complete any ethics education programme. The highest number of respondents who have completed an ethics education programme are managers (41.45%) and advisors (31.17%).

The practice worldwide shows that continuing education is required in order for ethical values to become an integral part of everyday business behaviour not only of the persons employed in particularly important positions, but also of employees at all social levels. In public sectors of developed countries, various *methods of promoting ethical values among employees* have been used, including training, workshops, incorporation of established values in employment contracts, new communication technology, promotion brochures, polling, incorporation of declared values into different internal policies, personal bulletins, incorporation of ethical values in service contracts, telephone assistance, conflict of interest reporting, application of the rules of procedure, stating potential conflicts of interests, internal financial control

mechanisms, supervision mechanisms, publication of various reports and other mechanisms⁴. According to the indicators provided in the tables below, we may deduce to which extent some of the listed methods of promoting ethics and ethical principles are being applied in our business environment.

Table 9 provides indicators related to the question on whether the respondent has learned the importance of ethics in business and personal life by reading professional books and articles.

Table 9

4. Have you, learned about the importance of ethics in business and personal life by reading professional books and articles?

| Number | Respondents by job position | Answer — yes | | Answer — no | | Total | |
|--------|---|--------------|--------|-------------|--------|-------|--------|
| | | n | % | n | % | n | % |
| 1 | Politician | 19 | 7.63 | 4 | 4.88 | 23 | 6.95 |
| 2 | Manager | 81 | 32.53 | 22 | 26.82 | 103 | 31.12 |
| 3 | Advisor | 100 | 40.16 | 24 | 29.27 | 124 | 37.46 |
| 4 | Position requiring special skills | 31 | 12.45 | 10 | 12.20 | 41 | 12.33 |
| 5 | Position with a lower level of responsibility | 4 | 1.61 | 10 | 12.20 | 14 | 4.23 |
| 6 | Other | 14 | 5.62 | 12 | 14.63 | 26 | 7.85 |
| | Total | 249 | 100.00 | 82 | 100.00 | 331 | 100.00 |

Out of the total number of respondents, 75.23% learned about the importance of ethics in business and personal life by reading professional books and articles. This is a very important indicator in view of the answers given to the previous question, according to which the majority of respondents did not complete any ethics education programme.

Also, we may conclude that there is a big difference among the respondents depending on the hierarchy of responsibility, with politicians, managers, respondents with special skills and higher level of responsibility are inclined towards self-education (75.00–83.00%) or reading of professional literature. Among the respondents employed in positions with a lower level of

⁴ Nediljka Rogošić, *Business Ethics in Public Sector — The Role of the State Audit Office*, XLI. Symposium, Pula, 2006

responsibility, the tendency to read professional publications as a form of self-education is not significant (28.58%).

The respondents were also asked about their opinion on the need for ethics education for politicians, managers and other persons who make important decisions. According to the indicators disclosed in Table 10, the majority of the respondents replied affirmatively i. e. 93.05% of respondents think that politicians, managers and other persons who make important decisions should receive in-service training and be trained in ethics. Interestingly, three politicians do not know if this is necessary, and 17 respondents employed in managerial positions or positions requiring special knowledge and skills, either think that it is not necessary or do not know whether it is necessary to have in-service training in ethics for politicians, managers and other persons who make important decisions.

Table 10

5. Do you think it necessary for politicians, managers and other persons who make important decisions to receive in-service training and be trained in ethics?

| Number | Respondents by job position | Answer — yes | | Answer — no | | Answer — do not know | | Total | |
|--------|---|--------------|--------|-------------|--------|----------------------|--------|-------|--------|
| | | n | % | n | % | n | % | n | % |
| 1 | Politician | 20 | 6.49 | | | 3 | 18.75 | 23 | 6.95 |
| 2 | Manager | 95 | 30.84 | 3 | 42.85 | 6 | 37.5 | 103 | 31.42 |
| 3 | Advisor | 119 | 38.64 | 3 | 42.86 | 2 | 12.5 | 124 | 37.46 |
| 4 | Position requiring special skills | 38 | 12.34 | 1 | 14.29 | 2 | 12.5 | 41 | 12.39 |
| 5 | Position with a lower level of responsibility | 12 | 3.90 | | — | 2 | 12.5 | 14 | 4.23 |
| 6 | Other | 24 | 7.79 | | — | 2 | 6.25 | 26 | 7.85 |
| | Total | 308 | 100.00 | 7 | 100.00 | 17 | 100.00 | 331 | 100.00 |

The next several questions relate to the analysis of indicators concerning certain business activities of the respondents. The table below provides indicators related to replies to the question whether the respondents in their job position made any decisions of great importance or any strategic decisions.

Table 11

6. Have you in your job position made any decisions of great importance or strategic decisions?

| Number | Respondents by job position | Answer — yes | | Answer — no | | Total | |
|--------|---|--------------|--------|-------------|--------|-------|--------|
| | | n | % | n | % | n | % |
| 1 | Politician | 16 | 12.12 | 7 | 3.52 | 23 | 6.95 |
| 2 | Manager | 65 | 49.24 | 38 | 19.09 | 103 | 31.12 |
| 3 | Advisor | 28 | 21.21 | 96 | 48.24 | 124 | 37.46 |
| 4 | Position requiring special skills | 9 | 6.82 | 32 | 16.08 | 41 | 12.39 |
| 5 | Position with a lower level of responsibility | 4 | 3.03 | 10 | 5.03 | 14 | 4.23 |
| 6 | Other | 10 | 7.58 | 16 | 8.05 | 26 | 7.85 |
| | Total | 132 | 100.00 | 199 | 100.00 | 331 | 100.00 |

Out of the total number of respondents, 39.88% replied that they made important or strategic decisions. According to the data for individual groups of respondents, the conclusion may be made that the majority of politicians (69.57%) and managers (63.11%) in their positions made decisions of great importance or strategic decisions, which is understandable considering that strategic decision-making is linked to their job. The majority of other respondents did not make any strategic decisions. So 77.42% of respondents working as advisors and 78.05% of respondents working in positions requiring special knowledge and skills did not make any strategic or important decisions. Testing shows that politicians and managers made such decisions with frequency that is statistically significant i. e. more frequently ($Z=6.18$; $p<0.001$).

Also, the respondents were asked how they made important life and business decisions. The table below presents their replies.

Table 12

7. How do you make important life and business decisions?

| No. | Respondents by job position | I think twice about advantages, disadvantages and implications of such a decision | | I consult my colleagues at work, friends or experts | | I decide based on intuition | | Other | | Total | |
|-----|-----------------------------|---|------|---|-------|-----------------------------|------|-------|------|-------|------|
| | | n | % | n | % | n | % | n | % | n | % |
| 1 | Politician | 6 | 3.61 | 16 | 11.60 | 0 | 0.00 | 1 | 7.69 | 23 | 6.95 |

| | | | | | | | | | | | |
|---|---|-----|--------|-----|--------|----|--------|----|--------|-----|--------|
| 2 | Manager | 45 | 27.11 | 54 | 39.13 | 3 | 21.43 | | 0.00 | 102 | 30.82 |
| 3 | Advisor | 70 | 42.17 | 44 | 31.88 | 5 | 35.71 | 2 | 15.38 | 121 | 36.56 |
| 4 | Position requiring special skills | 21 | 12.65 | 15 | 10.87 | 2 | 14.29 | 2 | 15.38 | 40 | 12.08 |
| 5 | Position with a lower level of responsibility | 9 | 5.42 | 3 | 2.17 | 2 | 14.29 | | 0.00 | 14 | 4.23 |
| 6 | Other | 15 | 9.04 | 6 | 4.35 | 2 | 14.28 | 8 | 61.55 | 31 | 9.367 |
| | Total | 166 | 100.00 | 138 | 100.00 | 14 | 100.00 | 13 | 100.00 | 331 | 100.00 |

According to the data from Table 12, we may conclude that the respondents make important life or business decisions systematically. This is confirmed by the fact that 50.15% of respondents think twice about the advantages, disadvantages and implications that may arise from such decisions, 41.69% of respondents replied that they sought the advice of their colleagues from work, friends or experts, 4.23% of respondents make their decisions intuitively, while 3.93% of respondents specified other methods of decision-making. The data provided also confirm that politicians (69.57%) consult their colleagues at work with frequency of statistical significance i. e. more frequently ($Z=2.39$; $p<0.05$) before making important decisions, or that 26.09% politicians make important decisions after they think twice about the advantages, disadvantages and implications of such decisions. Managers also seek the advice of their colleagues at work, friends or experts more frequently (52.94%), but this difference is not statistically significant ($Z=1.29$; n. s.) because 44.12% of respondent managers said that before making important decisions they think twice about advantages, disadvantages and implications of such a decision. Interestingly, 57.85% of respondent advisors and 52.50% of respondents who work in positions requiring special knowledge and skills, twice about the advantages, disadvantages and implications of the decision they have to make.

Based on the results of the study, the intention was to determine what the most important criterium was or what the respondents were thinking about when they were making decisions. The respondents could circle one or more suggested answers to this question.

Table 13

8. *What did you have in mind when you were making a decision?*

| Number | Respondents by job position | The good of the highest number of people | | Maximum profit irrespectively of negative impact on individuals | | Enhancement of personal reputation | | Maximum profit while respecting the principle of ethics | | Social responsibility | | Other | |
|--------|---|--|--------|---|--------|------------------------------------|--------|---|--------|-----------------------|--------|-------|--------|
| | | n | % | n | % | n | % | n | % | n | % | n | % |
| 1 | Politician | 17 | 11.26 | 0 | 0.00 | 1 | 6.25 | 1 | 0.92 | 9 | 10.11 | 1 | 5.26 |
| 2 | Manager | 50 | 33.11 | 2 | 40.00 | 3 | 18.75 | 47 | 43.12 | 27 | 30.34 | 0 | 0.00 |
| 3 | Advisor | 56 | 37.09 | 3 | 60.00 | 7 | 43.75 | 36 | 33.03 | 36 | 40.45 | 13 | 68.42 |
| 4 | Position requiring special knowledge and skills | 21 | 13.91 | 0 | 0.00 | 1 | 6.25 | 12 | 11.01 | 8 | 8.99 | 2 | 10.53 |
| 5 | Position with a lower level of responsibility | 4 | 2.65 | 0 | 0.00 | 3 | 18.75 | 5 | 4.59 | 4 | 4.49 | 1 | 5.26 |
| 6 | Other | 3 | 1.98 | 0 | 0.00 | 1 | 6.25 | 8 | 7.33 | 5 | 5.62 | 2 | 10.53 |
| | Total | 151 | 100.00 | 5 | 100.00 | 16 | 100.00 | 109 | 100.00 | 89 | 100.00 | 19 | 100.00 |

Table 14

9. Is ethics institutionalised in your organisation?

| Number | Respondents by job position | You have an established code of professional ethics | | There is an appointed ethics committee | | Ethics education programme for managers | | Ethics education programme for staff | | I take /have taken ethics course at the university | | None of the suggested answers | |
|--------|---|---|--------|--|--------|---|--------|--------------------------------------|--------|--|--------|-------------------------------|--------|
| | | n | % | n | % | n | % | n | % | n | % | n | % |
| 1 | Politician | 7 | 5.34 | 0 | 0.00 | 0 | 0.00 | 4 | 26.67 | 3 | 6.98 | 9 | 6.77 |
| 2 | Manager | 39 | 29.77 | 3 | 75.00 | 3 | 60.00 | 4 | 26.67 | 15 | 34.88 | 40 | 30.08 |
| 3 | Advisor | 63 | 48.09 | 0 | 0.00 | 2 | 40.00 | 5 | 33.33 | 15 | 34.88 | 39 | 29.32 |
| 4 | Position requiring special skills | 16 | 12.21 | 0 | 0.00 | 0 | 0.00 | 1 | 6.67 | 3 | 6.98 | 21 | 15.79 |
| 5 | Position with a lower level of responsibility | 1 | 0.76 | 1 | 25.00 | 0 | 0.00 | 1 | 6.66 | 0 | 0.00 | 11 | 8.27 |
| 6 | Other | 5 | 3.83 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 7 | 16.28 | 13 | 9.77 |
| | Total | 131 | 100.00 | 4 | 100.00 | 5 | 100.00 | 15 | 100.00 | 43 | 100.00 | 133 | 100.00 |

According to the data disclosed in Table 13, 45.62% of respondents made their decision with the good of the highest number of people in mind, 32.93% maximum profit while respecting the principle of ethics, 26.89% were also thinking about social responsibility, and a very small number of respondents replied that what they had in mind was maximum profit irrespectively of a negative impact on individuals or enhancement of personal reputation. If we analyse the data by groups of respondents, the results are a little different. Thus, 60.71% of politicians, when they make decisions, have in mind the good of the highest number of people, which is statistically significant ($Z=1.65$; $p<0.05$) because 32.14% of politicians replied that they also had in mind social responsibility. It is typical of managers that approximately the same number of them has in mind the good of the highest number of people (39.68%) and maximum profit while respecting the principle of ethics (37.30%), and social responsibility (25.00%) when making decisions. The respondents working in advisory positions in a higher number of cases (46.28%) most often have in mind the good of the highest number of people, although maximum profit while respecting the principle of ethics and social responsibility are equally important criteria for decision making because 29.26% of respondents circled these replies. Importantly, the respondents working in positions that require special knowledge and skills, when they are making decisions, most often have in mind the good of the highest number of people.

The recent practice in developed countries of the world shows that the majority of successful companies and other institutions have established an institutional framework which ensures the promotion and development of ethical behaviour in business and among employees, as well as with respect to the environment. Considering that in the Republic of Croatia the need to develop and promote ethical behaviour in business has only recently become a significant issue, the intention was to determine whether the Croatian institutions have established a framework which can contribute to enhancement of the level of ethics in business.

According to the data provided in Table 14, interesting replies were given when the respondents were asked if ethics was institutionalised in their organisation. The respondents could circle one or more answers to this question. A significant number or 46.83% of respondents replied that ethics was institutionalised in one way or the other in their organisation. Thus, 39.58% of respondents replied that their institutions adopted a code of professional ethics, 7.25% that an ethics committee was appointed, that ethics education programmes for managers or staff were organised. Also, 12.99% of respondents took ethics course at the university. However, 40.18% of respondents did not provide any answer, which leads to conclusion that in their respective organisations ethics was not institutionalised at all.

The respondents were asked whether in their business life they implemented a decision (made by themselves or someone else) they knew was not in line with moral principles.

According to the replies provided in Table 15, we may conclude that a higher number or 64.66% of respondents did not implement any decision they knew was not in line with moral principles, 35.34% of respondents implemented decisions although they knew they were not in line with moral principles, which is a very significant indicator. It would be important to examine why those respondents implemented such decisions. The analysis of replies by groups of respondents shows that in the majority of cases the respondents did not implement any decisions they knew were not in line with moral principles (between 57.00% and 78%).

Table 15

10. Have you in your business life implemented any decision (made by yourselves or someone else) you knew was not in line with moral principles?

| Number | Respondents by job position | Answer — yes | | Answer — no | | Total | |
|--------|---|--------------|--------|-------------|--------|-------|--------|
| | | n | % | n | % | n | % |
| 1 | Politician | 5 | 4.27 | 18 | 8.41 | 23 | 6.95 |
| 2 | Manager | 44 | 37.61 | 60 | 28.04 | 104 | 31.42 |
| 3 | Advisor | 40 | 34.19 | 84 | 39.25 | 124 | 37.46 |
| 4 | Position requiring special skills | 16 | 13.68 | 25 | 11.68 | 41 | 12.39 |
| 5 | Position with a lower level of responsibility | 3 | 2.56 | 11 | 5.14 | 14 | 4.23 |
| 6 | Other | 9 | 7.69 | 16 | 7.48 | 25 | 7.55 |
| | Total | 117 | 100.00 | 214 | 100.00 | 331 | 100.00 |

The next question was about explaining implementation of decisions that were not in line with moral principles. The respondents had to choose one or more answers, or judge whether the decision they made was unjust, unfair, did not result in the good of the highest number of people, satisfied individual interests at the detriment of others, satisfied individual interests without detriment to others or something else. The results of the analysis are disclosed in Table 16.

Table 16

11. *What was such decision like?*

| Number | Respondents by job position | Unjust | | Unfair | | Did not result in the good of the highest number of people | | Satisfied individual interests at the detriment of others | | Satisfied individual interests without detriment to others | | Other | |
|--------|---|--------|--------|--------|--------|--|--------|---|--------|--|--------|-------|--------|
| | | n | % | n | % | n | % | n | % | n | % | n | % |
| 1 | Politician | 3 | 8.82 | 1 | 5.00 | 5 | 22.73 | 1 | 3.23 | 6 | 7.79 | 1 | 1.54 |
| 2 | Manager | 9 | 26.47 | 8 | 40.00 | 7 | 31.82 | 13 | 41.94 | 27 | 35.06 | 30 | 46.16 |
| 3 | Advisor | 11 | 32.35 | 4 | 20.00 | 7 | 31.82 | 8 | 25.81 | 27 | 35.06 | 20 | 30.76 |
| 4 | Position requiring special skills | 7 | 20.59 | 4 | 20.00 | 1 | 4.55 | 7 | 22.58 | 10 | 12.99 | 12 | 18.46 |
| 5 | Position with a lower level of responsibility | 3 | 8.82 | 2 | 10.00 | 2 | 9.08 | 2 | 6.44 | 2 | 2.60 | - | 0.00 |
| 6 | Other | 1 | 2.95 | 1 | 5.00 | 0 | 0.00 | 0 | 0.00 | 5 | 6.50 | 2 | 3.08 |
| | Total | 34 | 100.00 | 20 | 100.00 | 22 | 100.00 | 31 | 100.00 | 77 | 100.00 | 65 | 100.00 |

Out of the total number of respondents (117) who replied that they implemented a decision they knew was not in line with moral principles, the majority (65.81%) said that such decisions satisfied individual interests without detriment to others, while 26.50% of respondents replied that such decisions satisfied individual interests at the detriment of others. Also, 29.06% of respondents replied that those decisions were unjust, 18.80% that they did not result in the good of the highest number of people, while 17.09% said that those decisions were unfair. As the highest number of respondent managers and advisors replied that they implemented decisions that were not in line with moral principles, all of their answers are significant in relation to other respondent groups.

The next question examined the causes impeding or preventing ethical decisions. Here the respondents could circle one or more answers. According to the data from Table 17, it is obvious that different factors made it difficult for the respondents to make ethical decisions. The majority (58.61%) stated that making an ethical decision for them was rendered more difficult by conditions that could not be changed, 23.27% of respondents stated certain factors which rendered it difficult to make ethical decisions, 4.23% owners of their company, 2.12% personal problems, and 1.51% desire for personal success. A fewer number of respondents (2.12%) stated that they did not have ethical principles in mind when they were making decisions, and 11.48% of respondents stated something else.

Table 17

12. What made it difficult for you to make an ethical decision?

| Number | Respondents by job position | Conditions that could not be changed | | Owner of the company | | Supertour officer | | Personal problems | | Desire for success | | Did not have ethical principles in mind | | Other | |
|--------|---|--------------------------------------|--------|----------------------|--------|-------------------|--------|-------------------|--------|--------------------|--------|---|--------|-------|--------|
| | | n | % | n | % | n | % | n | % | n | % | n | % | n | % |
| 1 | Politician | 16 | 8.25 | 0 | 0.00 | 2 | 2.60 | 0 | 0.00 | 1 | 20.00 | 2 | 28.57 | 2 | 5.27 |
| 2 | Manager | 74 | 38.14 | 9 | 64.29 | 29 | 37.66 | 2 | 28.57 | 1 | 20.00 | 2 | 28.57 | 1 | 2.64 |
| 3 | Advisor | 68 | 35.05 | 1 | 7.14 | 30 | 38.96 | 3 | 42.86 | 1 | 20.00 | 3 | 42.86 | 18 | 47.36 |
| 4 | Position requiring special skills | 20 | 10.31 | 2 | 14.29 | 12 | 15.58 | 0 | 0.00 | 2 | 40.00 | 0 | 0.00 | 3 | 7.90 |
| 5 | Position with a lower level of responsibility | 6 | 3.09 | 0 | 0.00 | 2 | 2.60 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 5 | 13.15 |
| 6 | Other | 10 | 5.16 | 2 | 14.28 | 2 | 2.60 | 2 | 28.57 | 0 | 0.00 | 0 | 0.00 | 9 | 23.68 |
| | Total | 194 | 100.00 | 14 | 100.00 | 77 | 100.00 | 7 | 100.00 | 5 | 100.00 | 7 | 100.00 | 38 | 100.00 |

The respondents were asked if they felt proud when they thought about important business decisions they had made. The majority of respondents (69.19%) said they felt proud, while 30.81% of respondents said they were not proud of the decisions they had made.

The respondents from all professions with a statistically significant frequency i. e. more frequently answered they felt proud when they thought about the decisions they had made, more specifically: politicians (69.58%, $Z=2.31$; $p<0.01$), managers (84.00%, $Z=9.27$; $p<0.001$), special skills (75.73%, $Z=5.95$; $p<0.001$), higher level of responsibility (84.85%, $Z=9.06$; $p<0.001$), lower level of responsibility (79.9%, $Z=3.86$; $p<0.001$) and others (76.47%) ($Z=2.02$; $p<0.05$).

Table 18

13. Are you proud when you think about the important business decisions you have made?

| Number | Respondents by job position | Answer — yes | | Answer — no | | Total | |
|--------|---|--------------|--------|-------------|--------|-------|--------|
| | | n | % | n | % | n | % |
| 1 | Politician | 16 | 6.99 | 7 | 6.86 | 23 | 6.95 |
| 2 | Manager | 84 | 36.68 | 20 | 19.61 | 104 | 31.42 |
| 3 | Advisor | 78 | 34.06 | 46 | 45.10 | 124 | 37.46 |
| 4 | Position requiring special skills | 28 | 12.23 | 13 | 12.75 | 41 | 12.39 |
| 5 | Position with a lower level of responsibility | 10 | 4.37 | 4 | 3.92 | 14 | 4.23 |
| 6 | Other | 13 | 5.67 | 12 | 11.76 | 25 | 7.55 |
| | Total | 229 | 100.00 | 102 | 100.00 | 331 | 100.00 |

When asked in case they had indeed made a decision they thought was not good or was detrimental to others, how they felt about the possibility of their family or broader public finding out about it, the respondents provided interesting answers. This question was answered by 259 respondents or 78.25%. The majority (73.75%) stated they were embarrassed to think that their family or broad public could find out they had made a decision that was not good or was detrimental to others, 4.25% of respondents said they were indifferent, one respondent or 0.39% was delighted, and 18.92% stated something else.

Table 19

14. If you have made a decision you think was not good or was detrimental to others, how do you feel about the possibility of your family or broader public finding out about it?

| Number | Respondents by job position | I am delighted | | indifferent | | embarrassed | | other | |
|--------|---|----------------|--------|-------------|--------|-------------|--------|-------|--------|
| | | n | % | n | % | n | % | n | % |
| 1 | Politician | 0 | 0.00 | 0 | 0.00 | 13 | 6.81 | 6 | 12.24 |
| 2 | Manager | 0 | 0.00 | 5 | 45.45 | 58 | 30.37 | 15 | 30.61 |
| 3 | Advisor | 0 | 0.00 | 4 | 36.37 | 71 | 37.17 | 18 | 36.73 |
| 4 | Position requiring special skills | 0 | 0.00 | 1 | 9.09 | 28 | 14.66 | 5 | 10.20 |
| 5 | Position with a lower level of responsibility | 0 | 0.00 | 1 | 9.09 | 10 | 5.24 | 1 | 2.04 |
| 6 | Other | 1 | 100.00 | 0 | 0.00 | 11 | 5.75 | 4 | 8.18 |
| | Total | 1 | 100.00 | 11 | 100.00 | 191 | 100.00 | 49 | 100.00 |

In view of the fact that the way the respondents make their decisions, either in business or in personal life, is influenced by several factors, some of which are listed in Table 12, and that one of the very important factors is the power they have owing to their status at work, in their organisation, the society, their knowledge and skills, as well as their influence on others, the respondents were asked what power meant for them.

The results of the study are presented in Table 20

Table 20

15. What does it mean for you to have power?

| Number | Respondents by job position | Ability to make decisions that will contribute to general welfare and common good | | Opportunity to acquire reputation and wealth | | Prestige | | Power over others | | Other | |
|--------|-----------------------------|---|-------|--|-------|----------|-------|-------------------|-------|-------|-------|
| | | n | % | n | % | n | % | n | % | n | % |
| 1 | Politician | 22 | 8.76 | 2 | 6.06 | 2 | 10.53 | 1 | 5.00 | 2 | 9.52 |
| 2 | Manager | 76 | 30.28 | 13 | 39.39 | 5 | 26.32 | 6 | 30.00 | 6 | 28.57 |
| 3 | Advisor | 99 | 39.44 | 9 | 27.27 | 4 | 21.05 | 8 | 40.00 | 10 | 47.63 |

| | | | | | | | | | | | |
|---|---|-----|--------|----|--------|----|--------|----|--------|----|--------|
| 4 | Position requiring special skills | 30 | 11.95 | 4 | 12.12 | 3 | 15.79 | 4 | 20.00 | 1 | 4.76 |
| 5 | Position with a lower level of responsibility | 5 | 1.99 | 1 | 3.03 | 4 | 21.05 | 1 | 5.00 | 1 | 4.76 |
| 6 | Other | 19 | 7.58 | 4 | 12.13 | 1 | 5.26 | 0 | 0.00 | 1 | 4.76 |
| | Total | 251 | 100.00 | 33 | 100.00 | 19 | 100.00 | 20 | 100.00 | 21 | 100.00 |

The majority of the respondents or 75.83% said that for them power meant the ability to make decisions that would contribute to the general welfare and the common good, 9.97% replied that power meant ability to acquire reputation and wealth, 5.74% answered prestige, 6.04% power over others, while 6.34% stated something else.

The respondents from all groups of professions with a frequency that is statistically significant i. e. more frequently replied that to have power meant to be able to make decisions that would contribute to the general welfare and the common good, specifically: politicians (75.86%, $Z=7.30$; $p<0.001$), managers (71.70%, $Z=2.58$; $p<0.01$), special skills (75.57%, $Z=14.27$; $p<0.001$), higher level of responsibility (71.43%, $Z=10.81$; $p<0.001$), lower level of responsibility (41.67%), with the addition that for this group prestige is at the similar level 4 (33.33%) and that together they statistically significantly differ from other replies ($Z=4.23$; $p<0.001$) and others (79.17%, $Z=4.12$; $p<0.001$).

The next question concerned knowledge and skills, or qualifications and dedication to work, as a source of an individual's or a group's power within a working environment. When asked whether it would be fair to say that in their working environment knowledge and experience, expertise and dedication to work were the source of individuals' or group's power, 33.23% of respondents replied negatively, 31.12% affirmatively, 24.47% of respondents replied that they did not notice it was relevant, and 6.34% of respondents stated something else.

Table 21

16. Would it be fair to say for your working environment that knowledge and experience, or expertise and dedication to work, are the sources of individuals' or group's power?

| Number | Respondents by job position | Answer — yes | | Answer — no | | I did not notice that it was relevant | | Other | |
|--------|-----------------------------|--------------|-------|-------------|-------|---------------------------------------|-------|-------|-------|
| | | n | % | n | % | n | % | n | % |
| 1 | Politician | 7 | 6.80 | 7 | 6.36 | 4 | 4.94 | 1 | 4.76 |
| 2 | Manager | 44 | 42.72 | 29 | 26.36 | 25 | 30.86 | 5 | 23.81 |
| 3 | Advisor | 34 | 33.01 | 53 | 48.18 | 33 | 40.74 | 6 | 28.57 |

| | | | | | | | | | |
|---|---|-----|--------|-----|--------|----|--------|----|--------|
| 4 | Position requiring special skills | 8 | 7.77 | 10 | 9.09 | 12 | 14.81 | 6 | 28.57 |
| 5 | Position with a lower level of responsibility | 4 | 3.88 | 7 | 6.36 | 1 | 1.23 | 1 | 4.76 |
| 6 | Other | 6 | 5.83 | 4 | 3.65 | 6 | 7.42 | 2 | 9.53 |
| | Total | 103 | 100.00 | 110 | 100.00 | 81 | 100.00 | 21 | 100.00 |

The statistical significance analysis of certain answers shows that there is no statistically significant difference in the answers given by politicians ($Z=0.8$; n. s.), because there is a similar number of affirmative — yes (36.84%) and negative replies — no (36.84%). A statistically significant higher number of managers (42.72%) think that knowledge and experience or expertise and dedication to work are the source of individuals' or group's power ($Z=1.79$; $p<0.05$), while advisors (42.75%) in a statistically significant number think that knowledge and experience, or expertise and dedication to work, are not the source of power for individuals or a group ($Z=3.1$; $p<0.01$). The respondents with a higher level of responsibility at work (33.33%) in a statistically significant number ($Z=1.71$; $p<0.05$) i. e. more frequently reply that they have not noticed that knowledge and experience, or expertise and dedication to work, are the source of individuals' or group's power.

The next question concerns forms of behaviour in an organisation that reflect upon its organisational culture.

Culture⁵ may be defined as everything in our surroundings that is created by men; visible objects as well as invisible contents and values. Language, religion, law, politics, technology, education, social organisation, common values and ethical standards. Every nation has a different culture, and therefore there exist different beliefs about which business activities are acceptable or non-ethical, and with emergence of international business, individual conflicts of values, beliefs and ideas, which may differ from their own due to cultural differences.

The results related to the most frequent forms of behaviour in our organisations which, in the respondents' opinion, constitute their organisational culture, are presented in the table below. The respondents could circle one or more suggested answers:

- a) **Individual initiative** — employees have responsibility, freedom and initiative;
- b) **Risk tolerance** — employees are encouraged to be sharp, innovative and risk oriented;

5 *Culture, power and business ethics*; <http://www.uwm.edu/People/andrewk/culture.html>

- c) **Orientation** — the organisation sets clear goals and expectations in terms of work performances;
- d) **Integration** — units within the organisation are encouraged to cooperate with other units;
- e) **Management support** — managers provide clear instructions, assistance and support to their subordinates;
- f) **Control** — there are clear rules and regulations, and direct control of employee behaviour;
- g) **Identity** — employees identify themselves with the organisation as a whole, rather than with a special working group or a professional field;
- h) **Reward system** — rewards are given (i. e. salary increases, promotions) based on an individual's work performance;
- i) **Conflict tolerance** — employees are encouraged to openly show their disagreement and criticism;
- j) **communication** — restricted to formal hierarchy and authority.

According to the results of the study, there are four recognisable forms of behaviour that constitute business culture in respondents' organisations. The majority of respondents (35.05%) mentioned communication, followed by control (34.75%), individual initiative (31.42%), and orientation (29.61) as the form of behaviour within their organisation. It is typical that other forms of behaviour can also be recognised in our business environments such as integration (13.29%), identity (11.18%), management support (10.278%), reward system (9.97%), risk tolerance (6.95%), and conflict tolerance (6.34%).

The analysis of respondent groups' answers shows that among politicians individual initiative (60.87%) and control (26.09%) are the most significant forms of behaviour, whereas other forms of behaviour are not statistically significant (from 4.35% for orientation to 17.39% for integration, management support and identity). Among managers, the most significant forms of behaviour are control (39.81%), orientation and individual initiative (35.93%) and communication (26.21%). There are also other forms of behaviour that have been included in the answers, but they are statistically less significant in comparison to the above answers and range from 3.89% for conflict tolerance to 19.42% for management support. As the most significant forms of behaviour, advisors include communication (41.13%), control (39.52%), orientation (36.29%), and individual initiative (26.62%). Although other forms of behaviour were stated, too, they are less statistically significant. They range from 1.61% for risk tolerance to 10.48% for identity and integration. The respondents working in positions that require special knowledge and skills stated communication (58.54%), control (31.71%) and individual initiative (24.39%) as the most significant forms of behaviour. There are other forms of behaviour among the answers, but they are not statistically significant. They range from 2.44% for risk tolerance to 17.07% for identity.

Table 22

17. Can you isolate any of the suggested elements of behaviour within your organisation that would reflect upon its organisational culture?

| Num- ber | Respon- dents by job position | Individual initiative | | Risk tolerance | | Orientation | | Integration | | Management support | | Control | | identity | | Reward system | | Conflict tolerance | | Communi- cation | |
|-------------|--|--------------------------|--------|-------------------|--------|-------------|--------|-------------|--------|-----------------------|--------|---------|--------|----------|--------|------------------|--------|-----------------------|--------|--------------------|--------|
| | | n | % | n | % | n | % | n | % | n | % | n | % | n | % | n | % | n | % | n | % |
| 1 | Politician | 14 | 13,46 | 3 | 13,04 | 1 | 1,02 | 4 | 9,09 | 4 | 11,76 | 6 | 5,22 | 4 | 10,81 | 3 | 9,09 | 2 | 9,52 | 3 | 2,59 |
| 2 | Manager | 37 | 35,58 | 14 | 60,87 | 37 | 37,76 | 19 | 43,18 | 20 | 58,82 | 41 | 35,65 | 10 | 27,03 | 16 | 48,48 | 4 | 19,05 | 27 | 23,28 |
| 3 | Advisor | 33 | 31,73 | 2 | 8,70 | 45 | 45,92 | 13 | 29,55 | 6 | 17,65 | 49 | 42,61 | 13 | 35,14 | 11 | 33,34 | 5 | 23,81 | 51 | 43,97 |
| 4 | Position requiring special skills | 10 | 9,82 | 1 | 4,35 | 4 | 4,08 | 3 | 6,82 | 2 | 5,88 | 13 | 11,30 | 7 | 18,92 | 1 | 3,03 | 6 | 28,57 | 24 | 20,69 |
| 5 | Position with a lower level of respon- sibility | 3 | 2,88 | 0 | 0,00 | 4 | 4,08 | 1 | 2,27 | 0 | 0,00 | 2 | 1,74 | 1 | 2,70 | 1 | 3,03 | 4 | 19,05 | 4 | 3,45 |
| 6 | Other | 7 | 6,73 | 3 | 13,04 | 7 | 7,14 | 4 | 9,09 | 2 | 5,89 | 4 | 3,48 | 2 | 5,40 | 1 | 3,03 | 0 | 0,00 | 7 | 6,02 |
| | Total | 104 | 100,00 | 23 | 100,00 | 98 | 100,00 | 44 | 100,00 | 34 | 100,00 | 115 | 100,00 | 37 | 100,00 | 33 | 100,00 | 21 | 100,00 | 116 | 100,00 |

The respondents were also asked whether it would be fair to say, in view of the organisational structure of the organisation that employs them, that the superiors influenced the behaviour of their subordinates. According to Professor John French and Bertman Raven⁶, there are five forms of power by which one person can influence another:

1. reward power;
2. coercive power;
3. legitimate power, lawful, justified;
4. expert power; and
5. referent power.

The above forms of power may be used for motivation of individuals to make them

behave morally or immorally.

Reward power — relates to personal ability to influence others by giving them something they want. Rewards usually include: money, status or promotion. Short-term, however, reward power is not as effective as coercive power.

Coercive power — actually contrary to reward power. Instead of rewarding a person for something done, coercive power is used to punish certain acts or behaviour. Coercive power uses fear in order to effect a change of behaviour. Therefore, it may be concluded that coercive power is more effective way of changing behaviour short-term than long-term. Coercion is often used in situations of utter powerlessness.

Legitimate power — basis for belief that reliable persons use their clout well and that others are bound to accept it. The titles and positions of authority in organisations invite individuals to this traditional form of power. Many people are readier to accept someone who yields legitimate power. Such a strong loyalty to a person of authority may be seen in companies with strong, charismatic leaders and centralised structures.

Expert power — derived from personal or perceived knowledge. The power of expert knowledge usually arises from higher credibility in comparison with his or her subordinates. Credibility and, therefore, the power of knowledge are surely related to the number of years of working experience in a company or industry, personal education or honour received for his/her work. The power of knowledge may cause ethical problems when used to manipulate others with the aim of achieving unjustified leverage.

6 *Culture, power and business ethics*; <http://www.uwm.edu/People/andrewk/culture.html>

Referent power — may exist when a person observes that his/her goals and intentions are similar to goals and objectives of others. The latter may try to influence the former to take steps that would enable both of them to achieve their goals. The basis of such form of power, in order for it to be effective, is a kind of empathy that may exist between individuals. Identifying oneself with others may help increase the confidence of a decision-maker and thus enable enhancement of referent power.

The results concerning the most frequent forms of influence, in respondents' opinion, exerted by the superiors upon the behaviour of their subordinates in their organisations, are presented in the table below. The respondents could circle one or more suggested answers.

According to the results of analysis, there are two recognisable forms of power used by the superiors to influence the behaviour of their subordinates. The majority of the respondents (47.13%) stated the influence based on legal and other authority and the influence based on knowledge and expertise (31.12%). Other methods of influencing the behaviour of the subordinates were also named, but they were not statistically significant, for instance, motivational method (16.31%), coercive method (14.20%), reward method (12.08%), and reward system (9.97%), risk tolerance (6.95). A smaller number of respondents (8.16%) think that the superiors do not influence the behaviour of their subordinates, while 5.74% of respondents stated something else as the method the superiors use to influence the behaviour of their subordinates.

The analysis of the answers given by individual groups of respondents shows that 56.31% of respondent managers and 17.40% of respondent politicians did not answer this question. The majority of the respondents who answered this question think that the superiors influence the behaviour of the subordinates based on legal and other authority. This is the opinion of 31.58% of politicians, 30.77% of managers, 30.29% of respondent advisors, 38.71% of respondents working in positions that require special knowledge and skills, 50.00% of the respondents working in positions with a lower level of responsibility and 30.00% of other respondents. Also, a statistically significant number of respondents said that the superiors influenced the behaviour of their subordinates based on "knowledge and expertise". This is the opinion of 26.32% of politicians, 17.95% of managers, 25.71% of advisors, 23.23% of respondents working in positions that require special knowledge and skills, 15.79% of respondents working in positions with a lower level of responsibility and 20.00% of other respondents. The difference among individual politicians' and managers' replies is not statistically significant. The difference

among individual advisors' replies is statistically significant since the majority of the respondents stated "legal and other authority" ($Z=4.10$; $p<0.001$) and "based on knowledge and expertise" ($Z=2.75$; $p<0.01$) in comparison with other answers. The difference among the individual replies of the respondents working in positions that require special knowledge and skills is also statistically significant because the majority of the respondents answered "legal and other authority" ($Z=2.82$; $p<0.01$).

Table 23 presents the results of the answer to the question whether it would be fair to say, in view of the organisational structure of respondents' respective organisations, that the superiors influenced the behaviour of the subordinates, and Table 24 presents the answers to the question on behaviour of employees at their place of work. The respondents could select one or more suggested answers.

According to the results of analysis, there are two particularly recognisable forms of employee behaviour in their working environment. The majority of the respondents (43.20%) stated that employees behaved according to the principle of "duty and obligation", and 42.60% of respondents answered that in their opinion, the "just behaviour" criterium is desirable, but still not satisfying in respondents' working environment. Other criteria of employee behaviour were also stated, but they were not statistically significant, for instance, the criterium of "proper and just" (15.11%), "improper and unjust" (4.53%), "improper and just" (2.12%), "proper and unjust" (6.34%), "good" (12.99%), and "bad" (1.51%).

Interestingly, the majority of the respondents or 43.20% think that employees behave according to the principle of "duty and obligation", or that they work because they have to, and also 42.60% think that just behaviour is desirable, but its level as a principle of employee behaviour, in the respondents' opinion, is not satisfactory. Considering the fact that a very low number of respondents said that employees behaved according to the criterium of "just and fair" (15.11%) and the criterium of "good" (12.99%), we may conclude that entrepreneurs and other managers should take steps to raise the awareness of importance of ethical behaviour according to the principle of "proper and fair" and "good". However, considering that 43.20% of respondents said that employees behaved according to the principle of "duty and obligation", we may conclude that a significant majority satisfies the minimum level of ethical behaviour in their working environment.

Table 23

18. *Would it be fair to say that, considering the organisational structure of your organisation, the superiors influence the behaviour of the subordinates?*

| Number | Respondents by job position | Reward method | | Motivational method | | Based on legal and other authority | | Based on knowledge and expertise | | Coercion method | | They do not influence the employee behaviour | | Other | |
|--------|---|---------------|--------|---------------------|--------|------------------------------------|--------|----------------------------------|--------|-----------------|--------|--|--------|-------|--------|
| | | n | % | n | % | n | % | n | % | n | % | n | % | n | % |
| 1 | Politician | 0 | 0.00 | 4 | 7.41 | 6 | 3.85 | 5 | 4.85 | 2 | 4.26 | 2 | 7.41 | 0 | 0.00 |
| 2 | Manager | 3 | 7.50 | 4 | 7.41 | 12 | 7.69 | 7 | 6.80 | 9 | 19.15 | 3 | 11.11 | 1 | 5.26 |
| 3 | Advisor | 14 | 35.00 | 26 | 48.15 | 53 | 33.97 | 45 | 43.69 | 26 | 55.32 | 7 | 25.93 | 4 | 21.05 |
| 4 | Position requiring special skills | 19 | 47.50 | 15 | 27.78 | 60 | 38.46 | 36 | 34.95 | 10 | 21.27 | 8 | 29.63 | 7 | 36.84 |
| 5 | Position with a lower level of responsibility | 1 | 2.50 | 2 | 3.70 | 19 | 12.18 | 6 | 5.83 | | - | 5 | 18.52 | 5 | 26.32 |
| 6 | Other | 3 | 7.50 | 3 | 5.55 | 6 | 3.85 | 4 | 3.88 | | 0.00 | 2 | 7.40 | 2 | 10.53 |
| | Total | 40 | 100.00 | 54 | 100.00 | 156 | 100.00 | 103 | 100.00 | 47 | 100.00 | 27 | 100.00 | 19 | 100.00 |

Table 24

19. Do the employees in your working environment behave according to any of the following criteria?

| Number | Respondents by job position | Proper and just | | Improper and unjust | | Improper and just | | Improper and unjust | | Good | | Bad | | Duties and obligations | | Your estimate is that just behaviour is desirable but still not at a satisfactory level | |
|--------|---|-----------------|--------|---------------------|--------|-------------------|--------|---------------------|--------|------|--------|-----|--------|------------------------|--------|---|--------|
| | | n | % | n | % | n | % | n | % | n | % | n | % | n | % | n | % |
| 1 | Politician | 5 | 10.00 | 1 | 6.67 | 1 | 14.29 | 2 | 9.52 | 2 | 4.65 | | | 9 | 6.29 | 10 | 7.09 |
| 2 | Manager | 22 | 44.00 | 2 | 13.33 | 4 | 57.14 | 5 | 23.81 | 19 | 44.19 | | | 49 | 34.27 | 41 | 29.08 |
| 3 | Advisor | 16 | 32.00 | 8 | 53.34 | 1 | 14.29 | 8 | 38.10 | 15 | 34.88 | 3 | 60.00 | 61 | 42.65 | 62 | 43.96 |
| 4 | Position requiring special skills | 1 | 2.00 | 2 | 13.33 | 1 | 14.28 | 4 | 19.05 | 2 | 4.65 | 2 | 40.00 | 11 | 7.69 | 19 | 13.48 |
| 5 | Position with a lower level of responsibility | 2 | 4.00 | 2 | 13.33 | | 0.00 | 2 | 9.52 | 3 | 6.98 | | | 6 | 4.20 | 4 | 2.84 |
| 6 | Other | 4 | 8.00 | | 0.00 | | 0.00 | | 0.00 | 2 | 4.65 | | | 7 | 4.90 | 5 | 3.55 |
| | Total | 50 | 100.00 | 15 | 100.00 | 7 | 100.00 | 21 | 100.00 | 43 | 100.00 | 5 | 100.00 | 143 | 100.00 | 141 | 100.00 |

Having processed and analysed the data received from the questionnaire, we may now see whether the hypotheses put forward were confirmed or not.

H₀₁ — Business ethics is an important factor affecting individual business behaviour in the Republic of Croatia, is accepted in the part relating to understanding the importance of ethics and business ethics, because a high number of respondents are familiar with the concepts of ethics and business ethics (98.80% and 94.62% respectively). Considering that ethics is not institutionalised in many organisations, we cannot confirm that ethics is an important factor influencing individual business behaviour.

H₀₂ — Employee education in the field of business ethics is given sufficient attention, is not accepted because 76.74% of respondents did not complete any ethics education programme, and furthermore, a high number of respondents, 93.05%, think that politicians, managers and other persons who make important business decisions, should receive in-service training and be trained in ethics. However, importantly, 75.23% of respondents learned about the importance of ethics in business and private life by reading professional books and articles, which indicates that the respondents are inclined toward self-education in the absence of organised programmes.

H₀₃ — Business decisions are made in line with ethical principles, is partially accepted. Out of the total number of respondents, 39.88% answered that they had made important or strategic decisions. A significant number of respondents (50.15%) makes important life and business decisions by thinking twice about the advantages, disadvantages and implications of such decisions, and 41.69% said they consulted colleagues at work, friends or experts, so we may conclude that the respondents make business decisions systematically, i. e. in a deliberate way. Also, we may say that an important number of respondents acted ethically when they were making decision, i. e. 45.62% of respondents had in mind the good of the highest number of people, 32.93% maximum profit while respecting the ethical principle, and 26.89% of respondents took also into account social responsibility when they were making decision. However, a significant number of respondents (35.34%) said they implemented a decision they knew was not in line with moral principles. In general, such decisions were unjust, unfair, did not result in the good of the highest number of people, satisfied individuals' interests at or without the detriment to others. The factors making it difficult for respondents to make ethical decisions are also significant and they include conditions that cannot be changed, owner of the company, the superior officer or other. When asked about the feeling associated with decisions made, a significant number of respondents said they were not proud (30.81%) or felt uneasy (57.71%) when they thought about important business decisions they had made. Although these data are optimistic, they indicate a need to promote and enhance the level of ethics in business environment.

H₀₄ — Power as an ethical principle renders it possible to make business decisions that can contribute to the general welfare and the common good, is accepted partially because 75.83% of respondents think that for them power meant ability to make decisions that would contribute to the general welfare and the common good. However, if assessing whether knowledge and experience, or expertise and dedication to work, are the source of individuals' or group's power, the conclusion is that a high number of respondents do not think so or did not notice it to be so. The most frequent form of behaviour in organisations is communication restricted to formal hierarchy and control, and individual initiative, while rewarding, conflict tolerance in the sense that employees are allowed to show their disagreement and criticism, and risk tolerance in the sense that employees are allowed to be sharp, innovative and risk oriented, are less recognisable forms of behaviour in our business environment. A significant indicator is that the superiors influence the behaviour of the subordinates in the majority of cases based on legal authority and knowledge and expertise, and less by the reward, motivational or some other method. Also, if the data concerning employee behaviour are analysed, we can see that employees at their place of work more often behave according to the principle of duty and obligation, and less according to the principle of good, bad, proper and fair, improper and unfair. Furthermore, in conclusion, we can say that the respondents themselves believe that employee behaviour according to the criterium "just" was desirable but nevertheless that it was still not on a satisfactory level in our business environment.

