

REASONS OF UNETHICAL BUSINESS PRACTICES IN SLOVAKIA: THE PERSPECTIVE OF NON-GOVERNMENTAL ORGANIZATIONS' REPRESENTATIVES

Anna Remišová¹, Anna Lašáková¹, Alexandra Bohinská¹

¹Department of Management, Faculty of Management, Comenius University in Bratislava, Šafárikovo nám. 6, 814 99 Bratislava 1, Slovakia

To link to this article: <https://doi.org/10.11118/actaun201967020565>

Received: 13. 4. 2018, Accepted: 9. 2. 2019

To cite this article: REMIŠOVÁ ANNA, LAŠÁKOVÁ ANNA, BOHINSKÁ ALEXANDRA. 2019. Reasons of Unethical Business Practices in Slovakia: The Perspective of Non-Governmental Organizations' Representatives. *Acta Universitatis Agriculturae et Silviculturae Mendelianae Brunensis*, 67(2): 565–581.

Abstract

After the fall of communism, the first non-governmental organizations (NGOs) were established in Slovakia in the 1990's. Since then, our NGOs have played an important role in promoting business ethics even though it was originally not part of their primary mission. Given that, we held semi-structured interviews with the leaders of nine prominent Slovak NGOs to identify the perceived causes of unethical practices occurring in the Slovak business environment. The results of this qualitative research suggest that our respondents connect the causes of unethical actions in business mainly with the macro-level of society, that is with the way the State with its institutions and authorities operate. Out of ten identified causes of unethical business practices, our respondents assigned five to the macro-level, while they linked three reasons to the mezzo-level with unethical conduct of companies and two to the micro-level with unethical decisions of individuals. Since the government has taken measures to create a more ethical business environment recently, it is now up to companies to realize they hold the joint responsibility for the state of the Slovak society and to concentrate more on what they can do for their part in favor of the development of business ethics.

Keywords: business ethics, causes of unethical practices, CEE, ethics, NGOs, Slovakia

INTRODUCTION

For the long-term successful development of business ethics in our country to be possible, it is crucial to understand the motives behind the existing unethical practices in our economy. We decided to analyze the experience of renowned non-governmental organizations (NGOs) as one of the possible sources of knowledge of

the causes of the Slovak companies' unethical conduct. These NGOs started their activities after the transformation of the society in the 90's of the last century. The main purpose of this paper is to find out which factors lead to the unethical practices of firms based on the thoughts of the leading representatives of nine NGOs.

Even if Slovak NGOs are not primarily focused on the advancement of business ethics, we still

consider them as a relevant source of information. This is mainly because the state institutions have not approached the development of business ethics in a systematic way, nor have they adopted an uncompromising position towards non-compliance with the legal or ethical rules in business in 27 years of the existence of the market economy (Remišová *et al.*, 2017; Remišová, 1998; Remišová, 1997). It is worth noting that the situation has begun to shift recently. Over the past five years, the State has adopted an attitude which leads to the creation of the pro-ethical environment (e.g. the act on reporting anti-social activities and the antidiscrimination law have been enacted, and punishments for tax frauds have become stricter). Yet we cannot say that the State has followed a systematic and elaborated plan in developing business ethics up to now. Besides spontaneous activities of some businesses, Slovak NGOs also started to spread the idea of accountability of companies, a need for transparency and a necessity to respect the legal rules.

Theoretical Background

We built our research on three theoretical bases. The first basis is a key one, it relates to the understanding of business ethics and one of the fundamental approaches to its examination. The second one is linked to the existence of the thought tradition typical for our cultural background. The third one reflects changes of NGOs' activities in the era of globalization. Hence, the research is based on these theoretical postulates:

- 1) The analysis of the business-ethical issues happens at three levels: micro, mezzo and macro-level of business ethics.
- 2) The anchorage of the European business ethics in the European institutional tradition.
- 3) The role of NGOs in the democratic society in the era of the globalization is understood in a new and broader way.

The distinction of business ethics at the macro-level, mezzo-level and micro-level is the first theoretical basis. We follow the fundamental work of K. E. Goodpaster (1992) and G. Enderle (1993) when adopting the multilevel analysis of business ethics. It is not possible to discuss ethics, values, interests or responsibility relating to economic activities in general, because someone holds these values, interests and the responsibility – either a particular person, an organization or a social system as a whole. Goodpaster refers to this analysis as “the subject-matter of business ethics”

(Goodpaster, 1992, p. 112). So, the primary criterion of this differentiation is to specify the main subject or actor of human activities in human society. The central subjects at the different levels of business ethics are following: an individual at the micro-level, organizations at the mezzo-level and the State with its executive, legislative and judicial bodies at the macro-level.

The micro-level of business ethics is represented by individuals as specific subjects acting in the economic sphere. They can carry out a role of an employee, client, consumer, entrepreneur, shareholder, manager, etc. One individual can perform more of these social roles. Therefore, business ethics at the micro-level is ethics of every individual subject, it does not apply only to managers or entrepreneurs. Independently from the social organization, a person acts as a free bio-social being, with her consciousness, conscience, values, interests and the possibility to choose how she acts. The decision-making process is one of the principal questions of business ethics at this level. Individual actions and decisions of managers and entrepreneurs are affected by their knowledge level, as well as their value orientation and their character as such. Knowledge, values, experience, responsibility, character, skills – these are factors that appear at the intersection of ethics and economics at the micro-level. And business ethics as an academic discipline studies them (Remišová, 2011).

An organization in any form or structure, be it an enterprise, multinational corporation, professional association, trade union, non-profit organization, hospital, school and so on, holds values, takes conscious decisions, but also the responsibility for its activities at the mezzo-level of business ethics. In other words, each legal person whose activities concern economic or commercial sphere is at the center of business ethics at the mezzo-level. However, businesses remain main actors at this level. Respecting the mezzo-level in business ethics and the idea that companies are responsible for their actions from both legislative and moral point of view are results of the long discussion in the American academic environment on the topic whether a company has conscience (Goodpaster, 1989). With the increase of the degree of the organization of society, the importance of organizations in social life grows, too. Business ethics at the mezzo-level concentrates on the application of ethics in the management system of an organization. An organization as a whole, represented by its owners, constitutes the junction between economics and ethics at this

level. An organizational culture is a litmus test of the development of business ethics in practice because it reveals organizational values – moral and ethical ones, traditions, as well as the level of the implementation of business ethics into the organizational life.

At the macro-level, business ethics is connected to the activities of the governmental and legislative bodies and the judiciary. The State establishes a framework for the economic, fiscal and tax policies, and international economic strategies with its activities, regulations and legal rules. The State creates social space for the pro-ethical or unethical conduct of organizations and individuals mainly by means of the legislation. Thus, the responsibility of the State in the development of business ethics is irreplaceable.

All the three levels are indispensable for the development of business ethics in a country. They are not isolated one from another; on the contrary, they blend together and influence each other. Each of them is essential, especially from the point of view of the long-term development of business ethics. If one level fails to act in advancing business ethics, another level can substitute it temporarily, but it cannot definitely compensate for it completely. As an example, the Slovak experience from the 1990's showed that when the macro-level paid zero attention to the creation and establishment of the ethical framework for businesses, some companies and individuals became enthusiastic about business ethics and they have carried it over up to now.

The distinction between multiple levels of business ethics helps us be precise in our analyses of ethical and economic problems because at each level, the given issue has a different form and it has to be solved by different mechanisms. Such a separation of levels in business ethics is of a significant importance for defining which subject is accountable for the development of business ethics in practice and at the same time, for determining which subject is responsible for the unethical conduct in economy. "The idea that there are three distinct but interrelated levels of business ethics is not only an expository convenience. It suggests that each of the three levels presents appropriate subjects or objects of ethics inquiry. This means that there is some degree of freedom or discretion assumed at each level, i.e. that the ethical values found at one level are not merely deterministic functions of the other levels" (Goodpaster, 1992, p. 112–113).

The second theoretical basis of our research is the recognition of the institutional tradition

in the European intellectual world. Van Liedekerke and Dubbink point out to this trait of the European tradition in their article dedicated to the 20th anniversary of business ethics in Europe: "European culture believes in institutions more than believes in free acting individuals as motor of social change. It does not believe that an individual can structurally act and accomplish things if she acts against institutional logic" (van Liedekerke and Dubbink, 2008, p. 277). This thought tradition was elaborated by philosophers such as Marx, Althusser, Habermas, Luhman. It influenced the European perception of business ethics and reflections on the main subjects of responsibility for the development of business ethics in economy in a powerful manner.

The third theoretical basis is linked to the understanding of the place and role of NGOs in a democratic society based on the market economy, especially with the reference to the relation of NGOs to business ethics.

NGOs are social institutions that are independent of governments. They defend universal values, interests of individuals and collectives or members of civil society and civil society as a whole, while, at the same time, they are not established to generate profits. Considering this, NGOs are often defined as 'non-profit organizations', 'civil society organizations' or 'the third sector' (Arenas *et al.*, 2009). In our cultural environment, all three terms are considered synonymous.

In Western democracies, the number of NGOs increased after the 2nd World War. However, their extraordinary boom is linked to the globalization of economy and the end of the Cold War. The unprecedented economic power of corporations, their global impact on the population and natural environment across the globe, together with the loss of power of national states to stand up against this new authority, led to an enormous growth in the number of NGOs. These, as social capital entities (Putnam *et al.*, 1993), had the potential to face the dominating pressure of corporations, capital and market.

As for Slovakia, this type of social institutions did not exist in the previous political regime. A similar experience with NGOs was described by Polish authors Reichel and Rudnicka (2009). The specificity of our NGOs lies in the fact that while a confrontational approach to business interests in the evolving globalization was typical for NGOs in the 1990's (Baur and Palazzo, 2011; Baur and Schmitz, 2012; Burgos, 2013; Laasonen *et al.*, 2012), Slovak NGOs focused primarily on building and improving civil society.

They fulfilled the ‘watchdog’ role in our society, so they concentrated somewhat unilaterally on creating pressure on the government, while the business community was not the subject of their critical observation. This has persisted up to the present. So far, our NGOs have also almost completely avoided the phase of ‘cooperation with businesses’ that spread at the beginning of the 21st century (Wieland, 2009), as well as a new pattern that emerged later, namely the ‘cross-sectoral partnership’, i.e. the cooperation of NGOs, governments and businesses (Egels-Zanden and Wahlqvist, 2007).

Nowadays, the Slovak NGOs are primarily focused on civil society issues and a critical attitude towards the government. Given the lack of sufficient data, it is difficult to predict whether they will concentrate on the critical assessment of the business environment in the future and thus will become a sort of a business watchdog, or whether they will soon transform into organizations that cooperate with businesses, respectively create ‘cross-partnerships’ with businesses and the government.

MATERIALS AND METHODS

This study elaborates on specifics of NGOs representatives’ point of view in respect to the reasons of unethical business practices. Such a research approach to the ethical issues in the business environment is absent in the current literature. Therefore, a qualitative exploratory research approach was chosen for the purposes of this study, which builds on semi-structured face-to-face interviews with top representatives of NGOs. The data obtained in the interviews was transcribed, analyzed, synthesized and carefully interpreted in order to identify factors that cause the unethical practices in the Slovak business environment.

Research Sample

In this study, the nonprobability purposive sampling strategy was utilized as the best way to establish connection between the research questions and sampling. This strategy is based on the assumption that the best alternative is to address appropriate experts in regard to the research questions and their answers can saturate the research inquiry (Etikan *et al.*, 2016). Given the specific focus of this study on the NGO sector, the NGOs representatives were the most relevant people to address our research inquiries. We focused on NGOs concerned with civil society,

excluding from our sample NGOs primarily dealing with the environmental issues, ethnicity, human rights, sports, culture, as well as NGOs interconnecting various vocational professionals. The final sample entailed nine organizations active in supporting ethical practices in the Slovak business environment, namely Alliance Fair-Play (Aliancia Fair-play), Institute for Economic and Social Reforms (INEKO/Inštitút pre ekonomické a sociálne reformy), Pontis Foundation (Nadácia Pontis), Stop Corruption Foundation (Nadácia Zastavme korupciu), Against Corruption (Proti korupcii), Slovak Compliance Circle, Transparency International Slovensko, Via Iuris, and European Compliance Forum, which represents a special initiative in the compliance-related discourse in the Slovak business environment.

All respondents except two worked in the NGOs on a permanent basis as full-time employees. Six of interviewees were male and three were female. Their positions in the researched NGOs varied due to the differences in the NGOs’ organizational structures; the sample consisted of six executive directors, one chairman of the board of directors, one managing partner, and one statutory chairman. As for the seniority within their NGOs, it ranged from eight to 15 years of work experience. At the time of the interviews, two respondents served as top executives in the respective NGOs for less than one year, while the rest of them fulfilled top management position in the NGOs for more than three years. Their educational background was almost exclusively in social science with four participants studying one specialization and the rest studying two or more specializations. Five research participants studied journalism, three studied management and economics, two were lawyers, four interviewees studied politics, and one studied history. They were all leading personalities in the NGO sector and dominant opinion makers with quite an influence in the mass media. Therefore, we believe their views might help to understand the problems associated with the development of business ethics in Slovakia.

Semi-structured Interviews and Data Acquisition Process

The central research question in this study, namely “What are the reasons of unethical business conduct in the Slovak business environment according to the prominent NGOs representatives?”, considers the perceptions and opinions of the leading personalities of Slovak NGOs about the roots of the unethical conduct of businesses in Slovakia.

The semi-structured face-to-face interview was chosen as the primary method of scientific inquiry. From the methodological point of view, it can be used as a sole method in an investigation (Bryman, 2008). Compared to quantitative methods, the qualitative interviewing is much more sensitive to the interviewees' perspectives; gaining valuable insight into what the interviewees think is relevant and significant. According to Bryman (2008, p. 437), "as a result, qualitative interviewing tends to be flexible, responding to the direction in which interviewees take the interview" and thus adjusting the research emphasis toward significant issues that stem from the discussion. The specifics of NGOs representatives' point of view regarding the reasons of unethical business practices remain largely unexplored. Because of this, we chose the semi-structured interview as the best method to generate a large corpus of qualitative data on the topic.

The interviews were carried out in between October 2017 and January 2018 and each took approximately one hour. With the aim to enhance the validity and relevance of the research outputs, all interviews were subject to a uniform interview guide to ensure a consistency of the approach across all the researched NGOs. In addition, we have piloted the questions (interview scenario) through an expert assessment of its merit, relevance to the field and appropriateness. The group of experts was formed including experienced senior researchers, as well as PhD students specializing on human resource management, leadership and business ethics. The draft version of interview scenario was critically analyzed in a panel discussion, some items were dropped, while others were reformulated. This was done to secure that the interview unveils novel insights in the field, that the language of questions is clear, free of jargon and comprehensible, questions are not avoidable by replying merely 'yes' or 'no', and that the questions do not impose researchers' frame of reference on the interviewees.

The interview guide included detailed information on how to manage the whole interview process. We secured the time of individual meetings to suit the research participants. In each meeting, interviewees were informed on the research project and its main goals. They also received a briefing about the questions that would be asked during the meeting. First, opening demographic questions on the professional background of each interviewee were introduced. We asked about their position in the respective NGO, their seniority, professional orientation, study specialization and

employment relationship with the given NGO. Second, the main research inquiry was discussed. We were interested in what unethical practices occur in the Slovak business environment according to the NGOs representatives. Our aim here was to capture their unique insights and the way they grasp the essence of the 'unethical' business practice. We were not concerned about how often the respective unethical business practices take place, we simply asked the representatives of NGOs to list and describe them briefly. Then, we asked questions on the perceived reasons of these unethical practices and what drives businesses to violate ethical principles. As these were all semi-structured interviews, it was highly desirable to respond to respondents' answers and to ask sub-questions besides the predefined questions included in the interview scenario. To secure a full immersion of the research topic, besides the direct questions to the topic of unethical business practices and their reasons, we have also used several other types of supporting sub-questions, for instance, introductory questions (e.g. "How long do you work for the NGO?", "What was your study major at the university?"), follow-up questions (e.g. "What did you mean by an old attitude to doing business?"), probing questions (e.g. "Could you be more specific about the most frequent unethical practices?"), specifying questions (e.g. "How could be the misuse of political power minimized according to your point of view?"), structuring questions (e.g. "Now, do you think we can move on to the next topic?") and interpreting questions (e.g. "Did I understand your point on the atmosphere in the Slovak society correctly?").

The participants' replies were recorded and then transcribed into Word for the purposes of a subsequent analysis. After the completion of the transcription of the face-to-face interviews, these were sent back to the interviewees for the authorization purposes. After checking the accuracy of all transcripts, we anonymized the personal information on individual participants and analyzed their responses by using a qualitative approach to the interview material.

Data Analysis

To infer meaningful results from the rich portion of our qualitative data, we opted for one of the most prominent strategies to qualitative data analysis, the grounded theory approach with coding as a key process utilized in this study. In line with Bryman's (2008) suggestions, we used the coding in an iterative way of reviewing the interview

transcripts and attributing labels to components parts, which seemed to be of potential theoretical importance and appeared to be salient within the social context of NGOs representatives. This method allowed the perceived reasons of unethical business practice to literary emerge out of the data.

In applying this method, we followed a recommended series of steps to ensure methodological soundness of the data analysis process (Bryman, 2008). First, to not to lose any details, the recorded interviews were transcribed as soon as possible after they took place. Three researchers (authors of this paper) independently read through the initial set of transcripts without taking notes or considering any interpretation. Then, the three researchers read the whole material once again and started to take notes about important observations. In this process, the data was broken down to individual indicators labeled by particular codes. Thus, a first index of terms to guide further interpretation of acquired data was generated. In the next step, again independently, the codes were reviewed, and redundant, repetitive items were excluded from the further analysis. Consecutively, the coded material was compared between the researchers and any inconsistencies were reassessed in the light of the background context, within which respondents originally expressed their thoughts, until a consensus among researchers over the final coding scheme was brought. Next, meaningful connections between the codes were established. Thus, codes yielded concepts that were afterwards contrasted to the existing literature on the causes of unethical business practices. Eventually, Enderle's (1997) three-level model of ethics in business was considered as the best platform to structure the concepts that emerged out from the coding process. Therefore, in the last step, the individual concepts were grouped into three categories – macro-level, mezzo-level, and micro-level.

In sum, our data analysis follows an inductive logic of creating a chain of individual *indicators* (in form of quotations from the transcribed material), grouped in the coding process into ten particular *concepts*, which are organized into three *categories* of reasons for unethical business practices located at the macro-, mezzo- and micro-level of analysis.

RESULTS

Before we asked our respondents to answer our key question concerning the reasons of the unethical practices in the Slovak business environment, it

was important to know what they considered as an unethical practice; in other words, we were interested in what constitutes the 'unethical' business practices in their mind. We asked them: "*What do you understand under the concept of unethical business practices? In your opinion, which phenomena do belong to this group of practices?*" We included all the practices our respondents mentioned into the list of the unethical practices, no matter how many of them indicated them as unethical, in other words, each practice mentioned at least once was added to the list. Some unethical practices were brought up by all the respondents, some were observed in the answer of just one person.

Here, we consider important to note that in this study the term 'unethical practices' is used as a roof term including all practices of a business subject which are harmful to the relevant company stakeholders. An unethical practice has detrimental consequences for those negatively affected. It is clear that various streams of ethical thought could be utilized to assess the ethical quality of the consequences of company's actions. This study covers specifically the unethical practices, some of them being illegal, while others being in line with the law but still violating the legitimate needs of company stakeholders. Hence, the term 'unethical' is understood here as a broader term than 'illegal'.

In total, the participants identified the unethical practices performed by the businesses in the Slovak business environment that could be organized into nine groups: (1) Non-compliance with the law in force, acting on the edge of the law, administrative offences, (2) Non-payment of taxes, tax frauds, transfer of profits, transfer pricing, (3) Corruption, wasteful use of public finances, unfair practices relating to public procurement and obtaining public sources of funding or European funding, (4) Close connection between companies and political parties, (5) Unfair competition practices (e.g. abuse of a strong market position, cartel agreements), (6) Cheating of customers in any form (e.g. misleading advertisement, dishonest intention, cheating about the quality), (7) Infringement of the rights of employees, (8) Persecution of whistle-blowers, and finally (9) Corruption inside the organization.

After completing the list of the unethical practices, the respondents were asked to answer the following question: "*In your opinion, why do companies/entrepreneurs/managers in Slovakia infringe or circumvent the applicable legislative or ethical rules in place, why do they behave unethically?*"

In line with the first theoretical basis (macro-level, mezzo-level and micro-level of business ethics analysis), we categorized the summarized causes based on the level they occur at. Here, it is worth noting that we listed all the causes mentioned by the respondents no matter how many of them referred to them in the list of the causes provoking the unethical behavior. Tab. I shows the causes of the unethical practices together with interview excerpts that document well the subject matter.

Based on a rigorous data coding process (see section Data Analysis), our analysis unveiled ten concepts – the main reasons – which lead to the unethical actions according to the NGOs representatives. The set of causes affecting the unethical conduct of businesses at *the macro-level* include five subgroups: (1) Overall atmosphere in our society and quality of values that result in prioritization of money and financial profits, (2) Legacy of the communistic past in

I: *Reasons of the unethical business conduct in the Slovak business environment*

Levels (Categories)	Reasons (Concepts derived from analysis)	Quotations (Individual indicators)
Macro-level	(1) Overall atmosphere in our society, quality of values	<p>“The ethics of an entrepreneur is linked to the ethics of the State, as well as to the ethical awareness of our residents or ethics of employees” (R3).</p> <p>“The business sphere is not isolated from the society. In that sphere, we can find good things together with anomalies that the social environment generates” (R8).</p> <p>“The main value is to be successful, to be rich, to own a lot, and any way leading to this is correct. This is how we are educated. Money and profits are essential. There are, of course, some exceptions, some people behave in a different manner. But people interested primarily in money have influence on public affairs, they affect the political decisions, some of them influence our politicians” (R5).</p>
	(2) Legacy of communism	<p>“Many deviations in behavior are the result of the fact that, as all reform states on the rocket way to renewal, we carry a burden, and a long time is required for a change in the societal processes” (R8).</p> <p>“The fundamental thing is the disrespect towards the common, disrespect towards the community” (R5).</p>
	(3) Business rules set up by the State, or respectively the business environment	<p>“Many people say that the contributions [e.g., to social, healthcare, pension funds] are too high, but it seems like the level of contributions is not the main problem, but the system of paying these contributions should be simpler” (R3).</p> <p>“The State sometimes creates conditions which force entrepreneurs to do business unethically with its complicated rules and system errors” (R3).</p> <p>The mentality of businesses is influenced by “the weak rule of law, behavior of the government towards the business community and an insufficient enforcement of compliance with the rules” (R2).</p> <p>“We have had the same government for 11 years which is inclined towards the interests of employees rather than the interests of employers; this is why entrepreneurs are not satisfied” (R3).</p>
	(4) Instability of the legislative environment	<p>“The stability and continuity of the environment contributes to ethics. Because only in the long-term stability of the environment, it is visible that the ethical conduct is more advantageous than the unethical one in the long run. The instability of the environment and frequent changes of the legal frameworks make it possible for unethical people to avoid justice and mask their real practices” (R7).</p>
	(5) Negative influence of politicians' and senior public officers' conduct	<p>“We have numerous examples of fair entrepreneurs, honest Slovak family businesses and examples from multinational companies on how to set up an ethical climate. But overall, the Slovak environment is negatively influenced by the ‘culture’ of the senior public officers” (R2).</p> <p>“The systematic abuse of power – this is the most important thing that makes it impossible for companies to do business ethically. ... A lot depends on the functioning of the institutions which affect business ethics, such as the tax authority or the finance administration” (R1).</p>

Levels (Categories)	Reasons (Concepts derived from analysis)	Quotations (Individual indicators)
Mezzo-level	(1) Economic interest of companies	<p>“It is still valid that firms want to earn money quickly and this is linked to certain practices or manners” (R6).</p> <p>“For many, ethics is of secondary importance, it is not a common thing. Companies are primarily focused on solving various restrictions, economic costs” (R3).</p>
	(2) Insufficient implementation of ethics in the internal environment of a company	<p>“Companies often act ‘on the edge of the law’ and if they don’t have the internal control systems, there is a higher risk of breaching the law” (R1).</p> <p>Managers behave unethically “because of commercial interests, a fight for survival. If the repressive part is not functional, they have no restraints. There is no punishment, finalization of cases and internal company rules are missing” (R1).</p> <p>“Business ethics must come from the inside of the business environment” (R4).</p> <p>“A firm can maintain its character even in the most corrupt society” (R5).</p> <p>“An insufficient attention is paid to the development of business ethics. I see a room for improvement within the business environment itself. If more firms were a positive example in this area, the impact would be much bigger than if the initiatives come from the State. I see a room for improvement inside the businesses. If WE are not interested in a more ethical business environment, it will not become ethical” (R6).</p>
	(3) Perception of the business environment: Factor of politics	<p>“Discontent [between the State and businesses] can be understood, but the infringement of ethics when doing business is not the right answer from entrepreneurs. If they are not happy with the support from the government, they can try to resolve problems using other mechanisms – for example elections” (R3).</p> <p>Entrepreneurs “think they know better than the State how to use financial resources. They want to make the use of resources more effective” (R2).</p> <p>“An ordinary entrepreneur often sees only corruption and focuses on what the government should do. The state organs such as the Office for Public Procurement, the Regulatory Office for Network Industries, the Antimonopoly Office of the Slovak Republic have already adopted many anticorruption measures. Politicians can be completely fair, yet then a company starts to force a public officer in order to attain own interests” (R3).</p>
Micro-level	(1) Personality and character of an entrepreneur	<p>Entrepreneurs “have not yet adopted an extension, they have not yet identified themselves with higher social values. They think that by using a deviation, they will achieve their goal faster. When I compete, I avoid the fair approach” (R8).</p> <p>One of the significant reasons of the unethical behavior is the lack of business knowledge, the incompetency of an entrepreneur in the market knowledge and “unrealistic expectations of profits” (R7).</p>
	(2) Personality and character of a manager	<p>“Managers in big companies do not see that people suffer because of decisions they made, they do not see the results of their decisions. It is a so called ‘too big to fail’ effect when companies are not afraid of effects managerial decisions have because they are protected by the business environment and the State. Managers are not in contact with their employees and with ‘people behind the counter’ who bring their decisions into effect and they are also torn off the consequences of their own actions. They feel secure, sure and untouchable” (R7).</p>

Source: Own research.

Slovakia, (3) Business rules set up by the State creating unfavorable conditions for business development, (4) Instability of the legislative environment with frequently changing and somewhat chaotically implemented regulations, and (5) Negative influence

of politicians’ and senior public officers’ conduct on business in general.

Three causes of unethical business conduct were identified at the *mezzo-level*, namely: (1) Prioritization of economic interest in companies

over other roles of the corporate sphere within the wider society, (2) Insufficient implementation of ethics in the internal environment in a company accompanied with an unethical company culture, and (3) Perception of the business environment and related factor of politics leading to an antagonistic relationship between the business and politics that results in the loss of accountability of businesses for their own actions.

Finally, two distinct reasons for unethical business conduct were specified at *the micro-level*, i.e. at the level of individual behavior of managers and business owners: (1) Personality and character of an entrepreneur and (2) Personality and character of a manager. Here, interviewees' responses indicated a distinction between the aspect of an entrepreneur and a manager. The first (an entrepreneur) connotes with the inability to identify with higher societal values and to locate the institution of entrepreneurship as a 'service' to the community and wider society. On the other hand, the latter (a manager) links with lower sensitivity towards people inside the company and a certain professional unpreparedness to manage a workforce in line with ethical principles.

In line with respecting the idea of different holders of accountability for the development of business ethics accompanied by the analysis of the business-ethical problems at the three levels – macro, mezzo and micro-level – we came to the conclusion that our respondents actually halved the responsibility for the unethical business practices between the macro-level and the other two levels. From ten factors causing the unethical conduct of businesses, five are rooted in the macro-level and the other five are located at the mezzo and the micro-level. The following section interprets and discusses our outcomes.

DISCUSSION

Reasons of the Unethical Business Conduct at the Macro-level

The results show that NGOs representatives perceive roots of unethical business practices to be located in particular at the societal macro-level. In short, the respondents affirmed unanimously: The business environment reflects our society. Accordingly, as the business environment is not isolated from the rest of the society, ethical behavior of a business owner mirrors to certain extent ethics of the State and the wider society in general.

First, the interviewees paid a particular attention to the *quality of social values, which are at the core of*

our culture and that residents of our country relate to. As to the cultural and social norms in Slovakia, for instance Pilková and Holienka (2017) note that our cultural milieu provides just a limited support to start and run entrepreneurial activities among individuals. Our respondents pointed out that the Slovak society prioritizes the 'success' and 'personal wealth' as dominant values of these days. New generations learn that it is important to have money, possess things and achieve success at any cost. As one respondent pointed this out, we all are educated to accept success, money and profit as essential and ultimate goals in life. There are, of course, some exceptions; some people behave in a different manner. Nevertheless, the societal *modus operandi* enables particularly those who are interested primarily in money to gain influence on public affairs, and eventually to affect the political decisions. In addition, we can observe the impact of the national culture on the behavior in the business environment not only in the preference of individual profits, money and success, but also in the preference which is connected to the levelling of the common good – *common bonum* and the disrespect for the interests and necessities of other groups in society. The individual wealth is not linked to the wealth of the nation in our culture.

Second, it is significant that each respondent considered *the influence of the previous communistic social establishment* as one of the causes of the unethical behavior of part of the entrepreneurs. At the same time, the interviewees pointed out that the societal change was a long-term process, which could not happen overnight, but required time. The communist era blocked the development of the open society (Havlík and Mareš, 2017), and nowadays, after the completion of the economic transition of the CEE countries, some authors observe that the civil society is resistant in a few countries and fragile in others as a result of the communist legacy of distrust in (state-controlled) organisations (e.g. Horváth *et al.*, 2017). On the other hand, other studies indicate that the communist legacy leads to the skepticism of the population rather than distrust in social and political institutions in post-Communist Europe (Mishler and Rose, 1997). Both ways, according to our interviewees, all post-communistic societies carry a burden and a long time is required for a change in the societal processes. For instance, the results show that the influence of communism can be seen in a certain indifference towards others, in the orientation to achieve own interests and in a deformed perception of the value of

the social interest. During the communist era, there was a widespread saying: "The one that does not rob the State, robs their own family." It was peculiar that this saying was a cover to legitimize all the illegal practices that were employed by certain people when they wanted to improve the material situation of their families. There was no public discussion around this habit and no one ever pointed out that if someone was robbing the State, they in fact were robbing everyone, not even mentioning that this saying legalized stealing as such. This very strange phenomenon transferred to a new – democratic society. Up until now, we have still missed the value that the existence of the real democratic society is based on respecting the law and fundamental ethical rules, *ergo* on respecting others. One of the characteristic traits of our national culture is hidden behind this phenomenon: the disrespect towards the common, disrespect towards the community.

Third, respondents' thoughts on *the impact of the regulation of the business sphere from the side of the State* represented a special chapter in the discussion on the causes of the unethical practices. We did not come across any objection towards the EU legislation though. Companies usually fight back against the legislative or state regulations and they prefer the regulation by the market itself and the free competition. If the rules exist, they should be clear, comprehensible, effective and pragmatic. However, the rules for businesses and regulators that are set up by the State are often too complicated. The most common objections were directed to the system of paying contributions. Objections related not so much to the amount of contributions, but to the overly complicated system of paying them. Ineffective systems instilled upon entrepreneurs by the State were perceived as one of the motors of doing business in an unethical manner. Respondents assert that the State with its complicated rules and system errors creates conditions which force entrepreneurs to do business unethically. Some entrepreneurs believe that the State does not help them; rather, it introduces new barriers to the free market and the autonomy of business. This is perhaps the most visible in a protection of the interests of employees rather than the interests of employers, which causes dissatisfaction of many entrepreneurs. Furthermore, the mentality of businesses is influenced also by the weak rule of law and an insufficient enforcement of compliance with the rules. Typically, Slovakia, as well as other CEE countries, is often cited

for a weak law enforcement that encompasses a variety of components, from security of personal and property rights to government and corruption checks (Haggard and Tiede, 2011). Johnson *et al.* (2002) found out the weak property rights discourage firms from reinvesting part of their profits in post-communist countries. Besides business development, the principles of law and order are meaningful for anchoring democracy in general. As Bugaric (2008) warns, only professional and independent state institutions and the rule of law could potentially disarm populist tendencies in the CEE region.

Fourth, the quality of the legislative regulation of the Slovak businesses is related to the problem of *frequent changes of laws and directives*. Entrepreneurs feel insecure because of the constant interventions of the State. They often do not even have the time to realize new legislations or directives have become effective, not even mentioning their application. Compliance with the law is often accompanied by the financial and material requirements for the implementation in practice, which are unbearable for many of them. The numerous modifications of the legislation give rise to the unethical practices. Similarly to this finding, for instance Zajko (2015) also notes the fast changes in business legislation accompanied by a less sincere governmental support to business and rigid labor legislation in Slovakia in his study. In addition, a study by Pilková and Holienka (2017) ranks frequent changes, complexity and unpredictability of legislation among the top five constraints to entrepreneurship in Slovakia. Importantly, one respondent pointed out that the stability and continuity of the environment contributes to ethics. Only in a longitudinally stable environment it is visible that the ethical conduct is more advantageous than the unethical one in the long run. The instability of the environment and frequent changes of the legislation make it likely for unethical people to avoid justice. In this context, a recent research on positive and negative aspects of tax administration in Slovakia done by Ďurinová (2017) shows that businesses are, in general, satisfied with the services offered by tax authorities, especially with the readiness of tax officials to advise and guide the taxpayers in case of doubt. Yet, this study also shows the need for a more rigorous approach for instance to the timing of new regulations and to removing vague, uncertain and inadequate formulations in regulations. Furthermore, in line with our results, Ďurinová (2017) also demonstrates that business

regulations should be stabilized in the first place to motivate businesses, especially small and medium-sized companies, to pay the taxes.

To conclude, during the interviews participants quite often indicated that entrepreneurs were very sensitive to the *ethical quality of power elites, namely the politicians and senior public officers*. In other words, the quality of behavior of the Executive and Governance at all levels stands as a negative model for entrepreneurs. Regardless of numerous examples of fair entrepreneurs, honest Slovak family businesses and examples from multinational companies on how to set up an ethical climate, the Slovak environment is negatively influenced by the 'culture' of the senior public officers and a systematic abuse of power. Our interviews indicate that the functioning of the state institutions affect the level of ethics in business vastly. Yet, besides the above discussed macro-level reasons, the roots of unethical business practices were located also at the mezzo-level of company operations. The next section discusses the causes linked directly with the way how companies operate.

Reasons of the Unethical Business Conduct at the Mezzo-level

Our respondents identified three main causes of the unethical conduct of companies at the mezzo-level. The first of them is the economic interest of companies, which means that companies are oriented on making profits only. The second one is the insufficient implementation of ethics in firms. The third one is tied with the way entrepreneurs see the social environment and how this assessment influences their ethical or unethical conduct.

First, one of the very clearly articulated reasons of the unethical practices was a *preference of the economic interest of enterprises over interests of the society or more precisely over interests of other social groups*. According to our interviewees, the profit and the imperative to 'earn money quickly' has become the main motive of actors entering the business sphere. Moreover, ethics appears not to be in the forefront of company activities, rather companies are focused on solving various restrictions and cost-cutting. This result might indicate that the ideas of responsible capitalism or the 'values based capitalism' (Freeman, 2017) are not so much spread among Slovak managers and entrepreneurs. A certain misunderstanding of the role of business within our society occurs that leads to a false conclusion that

the primary objective of business is only to make profits. Considering the responses of our research participants, the business is not seen as nested firmly in the society and cooperating along with other societal institutions. Yet, the uni-dimensional economic calculus of companies might be a rather narrow-minded strategy if sustainable development is considered. The prioritization of profit maximization and economic interests over social interests and sustainable development contributes to the weakening of public interest goals and might even lead to the appearance of new social inequalities (Just and Latzer, 2016). In this context, Lamberton (2005) warns that the prioritization of profit maximization, economic growth and wealth accumulation is driven by the application of neoclassical economic theory into practice, which means that the economic objectives are achieved at the expense of the ecological and social systems that support the humankind.

Second, the existence of the unethical practices in the Slovak business environment is directly connected also with the fact that *many companies have not yet applied ethical regulations, they have not yet established business ethics in their organizational culture*. Big, multinational companies have the ethical rules and ethical infrastructure implemented in a form of ethics programs and compliance programs, but local companies do not have much experience with the institutional implementation of ethics into their organizational structure to a big extent. Our results imply that without the internal control systems, there is a higher propensity to breach the law. Ethics programs have a significant impact on employees' ethical behavior and corporate results (Majluf and Navarrete, 2011). The organizational culture which recognizes nothing else, but the economic interest permits the unethical conduct in companies. In line with our results, other authors also show that the enhancement of ethics in business is closely linked not only with macro- and micro-levels, but also with companies' internal ethical operations. As prior research (e.g. Kaptein, 2009; Kaptein, 2015; Ruiz *et al.*, 2015; Schwartz, 2001; Stevens, 2008; Verbos *et al.*, 2007) has shown, internal ethics infrastructures, codes of ethics and ethical leadership are important tools that should not be overlooked in creating a more ethical business environment.

Naturally, ethics regulation through company codes of ethics, ethics offices, ethics trainings or ethics hotlines limits to a certain extent sovereign decision-making of company owners and managers. The results of our study indicate that

entrepreneurs might be somewhat reluctant to impose new ethical measures in their businesses. In advocating own business interests, they may indirectly play a part in, metaphorically speaking, an escape from responsibility on the side of the companies. This is in line with what Freeman (1994) calls the 'separation fallacy', when ethics is being left out in business discourse. Our results indicate that such a separation of moral and capitalistic rules (Freeman *et al.*, 2007), suggesting 'business' is isolated from 'society' or 'ethics', may be embedded also in the Slovak business environment. Thus, there is a huge room for improvement within the business itself. As one of our respondents pointed out, business ethics must come from the inside of the business environment.

Third, in Slovakia, there is *a strange relation between the business and political environment; it sometimes has even a quality of antagonism*. The interviewees noticed this conflicting relation with politicians and the State, too. The reaction on the behavior of politicians, state rules, functioning of the state bodies actually results in businesses taking justice into their own hands. They suppose that they have to resolve ineffective things because the State is simply not able to do that. In addition, they do not believe in transparency and effectiveness of the redistribution of the state income – the taxes. The observation of our interviewees is in line with what Hellman and Schankerman (2000) noted about how firms evaluate the effectiveness of the State in transition societies in providing institutional infrastructure for a well-managed market economy. They assert that despite a growing number of state interventions, "the promise of good governance remains largely unfulfilled across much of the region" (Hellman and Schankerman, 2000, p. 546).

It seems that defending unethical actions by making reference to the State failure is easier and simpler than applying ethics systematically into business activities. An extremely critical view of the government and state institutions, if not accompanied by an equally critical attitude towards companies that also break the ethical rules, can become a cliché if it leads to the loss of accountability for their business activities.

Two problems arise when analyzing this cause – one is the conduct of politicians, the other is the perception of their conduct from the point of view of the business community. We assume that the behavior of politicians at all levels, especially members of the government, has been so dishonored in the present history

of the market economy in our country that companies assess the acting of politicians *en bloc* as immoral, irresponsible and counterproductive for the economic growth. When they understand politics in such a way, there is a big risk that they are not able to see all the positive steps on neither the political scene, nor the responsible behavior from a part of public officers. In a democratic society, the criticism of the state and governmental attitudes, and the conduct of politicians, the request for transparency at every level and zero tolerance of corruption are all an organic part of the social life. However, if the criticism becomes a stereotype based on the subjective impressions of the social reality, the solving of problems is jeopardized. Looking for an 'offender' responsible for corruption and favoritism only at one side of the corruption channel leads to the camouflage of the real problem. An objective criticism of the political and governmental establishment should be followed by an objective criticism of those businesses that behave unethically together with them. This supposes teaching the ethical self-reflection and autoregulation to the business community. These are elements which bear upon the application of business ethics into organizations.

Reasons of the Unethical Business Conduct at the Micro-level

We observed two main reasons of the unethical conduct at the micro-level in the answers of our respondents. The first reason are entrepreneurs themselves, with their characters and values and the second one is the character and values of managers.

First, *entrepreneurs themselves, with their own personal values*, their notion of what 'doing business' means, their approach to compliance or non-compliance with the law, represent another root of the unethical practices in case they prefer making profits at any cost, or quick earnings. Some NGOs representatives highlighted that unfortunately up to now, entrepreneurs did not identify themselves with pro-social values. They believe that by deviating from moral standards they could achieve their business goals faster and more efficiently, while a fair approach to doing business would disadvantage them in today's competitive world. Another reason for choosing an unethical over an ethical approach to business lies in the lack of business knowledge, or more precisely the incompetency of an entrepreneur in the market knowledge and an unrealistic expectation of profits, which results from that incompetency.

Our results on the bad effects of character flaws of the entrepreneurs are supported in prior literature on the influence of entrepreneurs' morality onto the overall level of business ethics. For instance, Quinn (1997) notes that personal ethics is linked with business ethics in that the individual attitudes of company owners to ethical issues in business unavoidably contour the ethical practices in the company. Del Baldo (2012) shows that the dissemination of ethics is tied to the entrepreneur's individual values. Similarly, Tucker *et al.* (1999) and Weaver *et al.* (1999) provide evidence that the company's ethics requires first of all a personal affinity of individuals in power positions towards ethics and values.

Second, in the context of *a managerial personality traits and behavior*, one of our respondents pointed out to a certain psychopathic or in other words, egoistic thinking and a low level of self-reflection, which is linked to the loss of contact with employees (e.g. subordinates to the manager). This kind of disconnectedness is particularly found in large companies, where individual managers do not experience the effects of their decisions and are not afraid to take insensitive decisions over the people because the State and business environment consider them "too big to fail". Therefore, there is low urge to consider the consequences of managerial decisions in the long-term; managers do not bear the consequences of their own actions and feel secure, sure and untouchable. Interestingly, in this context, Armstrong (2010) notes that lay observers might assume managers are induced

to take purely instrumental and profits-oriented decisions because of their concerns about their career advancement and job security. But then again, he argues that this 'office politics' might work in either way, because the fear from losing the job might induce managers to act in favor of employees rather than to treat the workforce as a commodity. Our results indicate that managers' disrespectful decisions over people might be actually supported by a sense of superiority in case the company culture enables such a separation of the management suite from the rest of employees. As psychological literature implies, in various social communities those with sense of superiority often separate themselves from others (e.g. Bond *et al.*, 2000).

Our results confirm and are consistent with what prominent researchers in the field, Trevino and Brown (2004), asserted about the meaningfulness of managerial actions that 'speak louder than words'. Therefore, managers need to be consistent with what is being said and what is being done in the company. This assumption serves also as a basis for understanding that formal ethics management tools (like a code of ethics or ethics education) are simply not enough to create an ethical workplace culture. Managers must provide ethical guidance and serve as role models in ethical behaviour for other employees. According to Trevino and Brown (2005), employees learn what to do, and what not to do, by observing leader's behavior and its consequences. Thus, managers in particular should comply in words and deeds with the company ethical principles.

CONCLUSION

The aim of our paper was to identify significant causes of the existing unethical practices from the point of view of leaders of the selected NGOs, which have been operating in our country since the change of the social and political regime. They belong to the group of important institutions with the impact on the whole society. They are active creators of the democratic society and thanks to their activities the principles of transparency and citizen involvement have been developed.

Based on the data analysis, we specified the reasons of the unethical practices within three groups and ten sub-groups, whilst our main theoretical basis was the three-level model of ethics in business. The perceived causes were following: at the macro-level: the overall atmosphere in our society, the quality of values; the legacy of communism; business rules set up by the State, or respectively the business environment; the instability of the legislative environment; the negative influence of politicians' and senior public officers' conduct; at the mezzo-level: the economic interest of companies, the insufficient implementation of ethics in the internal environment of a company; the perception of the business environment: the factor of politics; and at the micro-level: the personality and character of an entrepreneur, the personality and character of a manager.

The fact that our respondents found the most causes at the macro-level was not a surprise. Based on our second and third theoretical bases (see section Theoretical Background), we supposed such a situation. On the one hand, this is in line with the European cultural tradition of thinking at

the institutional level and considering the State with its legislative, executive and judicial components as the main actor of the social change. Since the change of the economic system was a major one, it is quite understandable that other groups and individuals in our society have expected from the State to ensure its functioning and to guarantee a stable and secure environment for the business and private life.

On the other hand, the focus on the macro-level relates to the fact that the NGOs themselves with their projects have aimed their attention mainly to the overall social level. They have gained a solid base of knowledge about this level and own experiences from the interaction with the main actors of the Slovak macro-level. Even those NGOs included in our research that are oriented towards the business environment to a greater or lesser extent, are also at least partially interested in the macro-level. So, the researched NGOs have discovered the characteristics of the overall atmosphere in our society, including the continuing influence of the communism on the processes of the current democratic society, through the prism of their own activities. Similarly, they have become aware of the issues relating to the quality of the legislative rules; this is why they have actively participated in drafting a number of legislative directives. Clearly, NGOs have taken part in creating the laws concerning the democratic society from the point of view of transparency, raising public awareness, whistleblowing or criminal liability, and thus have had a direct impact on the improvement of the macro-level for the purposes of doing business. Their legislative activities are not directed towards the creation of economic laws; this is the role of organizations representing businesses, employers or self-employed persons. These activities have contributed to their ability to see from inside how the legislation is created, and so, they can judge to what degree the legislation is influenced by the interests of powerful economic or political groups.

We realize that our research approach has certain limitations. The main one concerns the relatively small sample of respondents. Still, it is crucial to mention that we do not consider their opinions as personal, but we take them as the views of the leaders of the organizations which understand the social and political environment in Slovakia very well. The respondents do not have any special knowledge from the field of business ethics which could be seen as another limitation. However, each of them holds a master's degree from humanities, and they are all experienced, educated and highly competent people. In addition, certain limitations of this study relate to the grounded theory as a method of qualitative data analysis. Given the coding process, there is always a threat of potential loss of context in the process of fragmentation of the data. Furthermore, petite pieces of potentially valuable information might remain unnoticed by researchers. Considering the way how meaningful concepts are derived from the data, results might be flavored by varying sensitiveness and affinity of the researchers to certain theories in the field at the expense of others. Nevertheless, the grounded theory that we have utilized in this study produces reliable outcomes and remains to be one of the most influential strategies for conducting qualitative data analysis in general (Bryman, 2008). The purposive sampling strategy that we have used has also some weaknesses rooted mainly in its nonprobability nature, resulting in the need to avoid generalizations about a wider population. Lastly, the validity of a semi-structured interview as a qualitative research method might be generally weaker than of the quantitative research methods. Yet, by applying rigorously the methodological requirements for conducting qualitative semi-structured interviews, we have secured the validity of research outcomes by developing a detailed and uniformed interview guide, running a pilot test to the interview scenario questions through an expert panel assessment of its merit, relevance to the field and appropriateness, utilizing diverse types of questions, timely transcription of the recorded material, authorization of transcripts by the interviewees, and anonymizing the personal information on individual participants before the data analysis.

We believe this study forms a very important cognitive base for our broader research on the long-term development of business ethics in the Slovak business environment. For the progress to be optimal, it is essential that business ethics is developed at all the levels – macro, mezzo and micro-level. Our research has clearly showed that the opinion that the acting of subjects at the macro-level is the main cause of the unethical conduct in the business environment still persists. At the same time, the idea to reassess the role of businesses in the development of business ethics in Slovakia has arisen. The ethical self-reflection of companies and acceptance of ethical accountability for their business activities are a necessary precondition for the long-term and systematic advancement of business ethics in our country. In the last five years, the legislative measures to support the pro-ethical conduct

in the business environment have been adopted at the macro-level with the great assistance of NGOs. The time has now come for the whole business community to mobilize. This issue is well documented in a statement made by one of our research participants: "Ethics must come from the inside of the business environment" (R4). This shift towards highlighting the responsibility of businesses in the development of business ethics is understandable. In the 1990's, when the transformation of our society was taking place, there was no support of business ethics at all from the side of the State. At that period, some Slovak companies took on a role of the leader in advancing business ethics in the Slovak business environment. In nearly 30 years, the role of businesses and entrepreneurship has changed both qualitatively and quantitatively (according to the Statistical Office of the Slovak Republic, there were 597,272 economic subjects in Slovakia at the end of 2017). This means that the extent to which all Slovak firms are responsible for business ethics' progress must change as well. The role of our research project is to identify how companies could take responsibility for the development of business ethics in Slovakia.

Acknowledgements

This work was supported by the Slovak Research and Development Agency under the contract no. APVV-16-0091.

REFERENCES

- ARENAS, D., LOZANO, J. M. and ALBAREDA, L. 2009. The role of NGOs in CSR: Mutual perceptions among stakeholders. *Journal of Business Ethics*, 88(1): 175–197.
- ARMSTRONG, P. 2010. From bourgeois sociology to managerial apologetics: A tale of existential struggle. In: Armstrong, P. and Lightfoot, G. (Eds.). *'The Leading Journal in the Field': Destabilizing Authority in the Social Sciences of Management*. London: May Fly Books, pp. 165–205.
- BAUR, D. and PALAZZO, G. 2011. The moral legitimacy of NGOs as partners of corporations. *Business Ethics Quarterly*, 21(4): 579–604.
- BAUR, D. and SCHMITZ, H. P. 2012. Corporations and NGOs: When accountability leads to co-optation. *Journal of Business Ethics*, 106(1): 9–21.
- BOND, M. H., KWAN, V. S. Y. and LI, C. 2000. Decomposing a sense of superiority: The differential social impact of self-regard and regard for others. *Journal of Research in Personality*, 34(4): 537–553.
- BRYMAN, A. 2008. *Social Research Methods*. 3rd Edition. Oxford: Oxford University Press.
- BUGARIC, B. 2008. Populism, liberal democracy, and the rule of law in Central and Eastern Europe. *Communist and Post-Communist Studies*, 41: 191–203.
- BURGOS, S. 2013. Corporations and social responsibility: NGOs in the ascendancy. *Journal of Business Strategy*, 34(1): 21–29.
- CHOI, C. J., CHENG, P., KIM, J.-B. et al. 2005. Dual responsibilities of NGOs: Market and institutional responsibilities and ethics. *The Journal of Corporate Citizenship*, 17: 26–29.
- DEL BALDO, M. 2012. Corporate social responsibility and corporate governance in Italian SMEs: the experience of some "spirited businesses". *Journal of Management and Governance*, 16(1): 1–36.
- ĐURINOVÁ, I. 2017. The positive and negative aspects of tax administration as part of the business environment in Slovakia. *Ekonomická revue – Central European Review of Economic Issues*, 20: 61–72.
- EGELS-ZANDEN, N. and WAHLQVIST, E. 2007. Post-partnership strategies for defining corporate responsibility: The business social compliance initiative. *Journal of Business Ethics*, 70(2): 175–189.
- ENDERLE, G. 1993. *Action-oriented business ethics. Foundations and applications*. [in German: *Handlungsorientierte wirtschaftsethik. Grundlagen und anwendungen*]. Bern: Haupt.
- ENDERLE, G. 1997. In search of a common ethical ground: Corporate environmental responsibility from the perspective of Christian environmental stewardship. *Journal of Business Ethics*, 16: 173–181.
- ETIKAN, I., MUSA, S. A. and ALKASSIM, R. S. 2016. Comparison of convenience sampling and purposive sampling. *American Journal of Theoretical and Applied Statistics*, 5(1): 1–4.
- FREEMAN, R. E. 1994. The politics of stakeholder theory: Some future directions. *Business Ethics Quarterly*, 4(4): 409–422.
- FREEMAN, R. E. 2017. The new story of business: Towards a more responsible capitalism. *Business and Society Review*, 122(3): 449–465.

- FREEMAN, R. E., MARTIN, K. and PARMAR, B. 2007. Stakeholder capitalism. *Journal of Business Ethics*, 74(4): 303–314.
- GOODPASTER, K. E. 1992. 'Business Ethics'. In: Becker, L. and Becker, C. (Eds.). *Encyclopedia of Ethics*. New York: Garland Publishing, pp. 111–115.
- GOODPASTER, K. E. and MATTHEWS, J. B., Jr. 1989. Can a Corporation Have a Conscience? In: *Harvard Business Review on Corporate Responsibility*. Boston: Harvard Business School Press, pp. 131–155.
- HAGGARD, S. and TIEDE, L. 2011. The rule of law and economic growth: Where are we? *World Development*, 39(5): 673–685.
- HAVLÍK, V. and MAREŠ, M. 2017. Socio-cultural legacies in post-transition societies of Central and Eastern Europe and the relationship to the resurgence of right-wing extremism and populism in the region. In: Heinisch, R. C., Holtz-Bacha, C. and Mazzoleni, O. (Eds.). *Political Populism. International Studies on Populism no. 3*. Baden-Baden: Nomos, pp. 181–192.
- HELLMAN, J. and SCHANKERMAN, M. 2000. Intervention, corruption and capture. The nexus between enterprises and the state. *Economics of Transition*, 8(3): 545–576.
- HORVÁTH, P., PUTTER, J. M., DAGILIENĖ, L. et al. 2017. Status quo and future development of sustainability reporting in Central and Eastern Europe. *Journal of East European Management Studies*, 22(2): 221–243.
- JOHNSON, S., MCMILLAN, J. and WOODRUFF, C. 2002. Property rights and finance. *The American Economic Review*, 92(5): 1335–1356.
- JUST, N. and LATZER, M. 2016. Governance by algorithms: Reality construction by algorithmic selection on the Internet. *Media, Culture & Society*, 39(2): 238–258.
- KAPTEIN, M. 2009. Ethics programs and ethical culture: A next step in unravelling their multi-faceted relationship. *Journal of Business Ethics*, 89: 261–281.
- KAPTEIN, M. 2015. The effectiveness of ethics programs: The role of scope, composition, and sequence. *Journal of Business Ethics*, 132(2): 415–431.
- KOURULA, A., and HALME, M. 2008. Types of corporate responsibility and engagement with NGOs: An exploration of business and societal outcomes. *Corporate Governance*, 8(4): 557–570.
- LAASONEN, S., FOUGERE, M. and KOURULA, A. 2012. Dominant articulations in academic business and society discourse on NGO–business relations: A critical assessment. *Journal of Business Ethics*, 109(4): 521–545.
- LAMBERTON, G. 2005. Sustainability sufficiency – An internally consistent version of sustainability. *Sustainable Development*, 13: 53–68.
- MAJLUF, N. S. and NAVARRETE, C. M. 2011. A two-component compliance and ethics program model: An empirical application to Chilean corporations. *Journal of Business Ethics*, 100: 567–579.
- MISHLER, W. and ROSE, R. 1997. Trust, distrust and skepticism: Popular evaluations of civil and political institutions in post-communist societies. *The Journal of Politics*, 59(2): 418–451.
- PILKOVÁ, A. and HOLIENKA, M. 2017. Entrepreneurship development in Slovakia. In: Sauka, A. and Chepurensko, A. (Eds.). *Entrepreneurship in Transition Economies*. Springer International Publishing, pp. 225–242.
- PUTNAM, R., LEONARDI, R. and NANNETTI, R. 1993. *Making democracy work: Civic traditions in modern Italy*. Princeton, NJ: Princeton University Press.
- QUINN, J. J. 1997. Personal ethics and business ethics: The ethical attitudes of owner/ managers of small business. *Journal of Business Ethics*, 16(2): 119–127.
- REICHEL, J., and RUDNICKA, A. 2009. Collaboration of NGOs and business in Poland. *Social Enterprise Journal*, 5(2): 126–140.
- REMIŠOVÁ, A. 1997. *Business ethics in Slovak economic practice*. [in German: *Unternehmensethik in der Slowakischen Wirtschaftspraxis*]. Beiträge und Berichte Institut für Wirtschaftsethik an der Universität St. Gallen, Nr. 69.
- REMIŠOVÁ, A. 1998. *Codes of ethics* [in Slovak: *Etické kódexy*]. Bratislava: Ekonóm.
- REMIŠOVÁ, A. 2011. *Ethics and economics* [in Slovak: *Etika a ekonomika*]. Bratislava: Kalligram.
- REMIŠOVÁ, A., LAŠÁKOVÁ, A. and KIRCHMAYER, Z. 2017. Relevance of ethics program. Components in Slovakia. *Journal of International Business Research and Marketing*, 2(3), 24–31.
- RUIZ, P., MARTINEZ, R., RODRIGO, J. et al. 2015. Level of coherence among ethics program components and its impact on ethical intent. *Journal of Business Ethics*, 128(4): 725–742.
- SCHWARTZ, M. 2001. The nature of the relationship between corporate codes of ethics and behavior. *Journal of Business Ethics*, 32(3): 247–262.

- STATISTICAL OFFICE OF THE SLOVAK REPUBLIC. 2018. Economic subjects of the Slovak Republic in the BR by selected legal forms. *DATAcube*. [Online]. Available at: http://datacube.statistics.sk/#/view/en/VBD_SLOVSTAT/og2015rs/Ecomomic%20subjects%20of%20the%20Slovak%20Republic%20in%20the%20BR%20by%20selected%20legal%20forms%20%5Bog2015rs%5D [Accessed: 2018, April 2].
- STEVENS, B. 2008. Corporate ethical codes: Effective instruments for influencing behavior. *Journal of Business Ethics*, 78(4): 601–609.
- TREVINO, L. K. and BROWN, M. 2004. Managing to be ethical: Debunking five business ethics myths. *Academy of Management Executive*, 18(2): 69–81.
- TREVINO, L. K. and BROWN, M. 2005. The role of leaders in influencing unethical behavior in the workplace. In: Kidwell, R. E. and Martin, C. L. (Eds.). *Managing organizational deviance*. Sage Publications, Inc., pp. 69–79.
- TUCKER, L. R., STATHAKOPOLOUS, V. and PATTI, C. H. 1999. A multidimensional assessment of ethical codes: The professional business association perspective. *Journal of Business Ethics*, 19(3): 287–300.
- VAN LIEDEKERKE, L. and DUBBINK, W. 2008. Twenty years of European business ethics – Past development and future concerns. *Journal of Business Ethics*, 82(2): 273–280.
- ULRICH, P. 1994. Integrative business and corporate ethics – a framework concept [in German: Integrative wirtschaft- und unternehmensethik – ein rahmnenkonzept]. In: *Markt und Moral. Diskussion um die Unternehmensethik*. Bern: Haupt.
- VERBOS, A. K., GERARD, J. A., FORSHEY, P. R. *et al.* 2007. The positive ethical organization: Enacting a living code of ethics and ethical organizational identity. *Journal of Business Ethics*, 76: 17–33.
- WEAVER, G. R., TREVINIO, L. K. and COCHRAN, P. L. 1999. Corporate ethics program as control systems: influences of executive commitment and environmental factors. *Academy of Management Journal*, 42(1): 41–57.
- WIELAND, C. 2009. NGOs and businesses. Move from conflict to cooperation. *Colombia Internacional*, 69: 86–107.
- ZAJKO, M. 2015. Strengths and weaknesses of innovation-driven entrepreneurship in Slovakia. In: *8th International Conference on Engineering & Business Education*, Østfold University College, Fredrikstad, Norway, 8–9 October 2015, pp. 88–94. Available at: http://www.icebe.net/fileadmin/user_upload/Downloads/2015/8-Proceeding_2015_final.pdf#page=97 [Accessed: 2018, November 14].

Contact information

Anna Remišová: anna.remisova@fm.uniba.sk

Anna Lašáková: anna.lasakova@fm.uniba.sk

Alexandra Bohinská: alexandra.bohinska@fm.uniba.sk