

**Tihomir Vranešević**

University of Zagreb

Department of Marketing, Faculty of Economics and Business, Croatia

E-mail: tvranešević@efzg.hr

## **BUSINESS ETHICS - CHALLENGE FOR MANAGEMENT AND EDUCATION**

JEL classification: A230

### ***Abstract***

*In today's globalization process and economic crisis, the realisation of ethical principles is of utmost importance, since ethics may appear as the crucial factor in terms of comparative advantages. Paper will show changes in long-term period by comparing results from researches conducted in 1996, 2007 and 2015. Survey is conducted among students of Faculty of Business and Economics at University at Zagreb, as future active participants in Croatian economy. Research results could indicate changes in business behaviour ethics with respect to possible business situation under consideration among students. We must not neglect ethical principles in specific areas where it would be desirable even to exceed the existing formal standards (like, for instance, in the area of environmental protection), thinking of life conditions for future generations. On long term basis, results could influence treatment of ethical issues through the process of management education.*

***Key words: business ethics, management, education***

### **1. INTRODUCTION**

Purpose of studying the ethics can be to indicate certain patterns of behaviour that can either be characterised as socially acceptable, ethical, or as socially unacceptable, unethical. Realizing “who”, “when” and “how” estimates what is ethical and what is not is the basic weft of studying the ethics and therefore it can be stated that the main goal of ethics is to “define the interrelationship between moral and other fields of social life...” (Pulišelić, 1980, 379.). So, one of the reasons for studying attitudes on ethical behaviour is the attempt to grasp ethical standards and prevailing ethical principles. This may

reveal as follow: a) what is considered as ethical behaviour and b) the possible deviations, deflections and trials towards unethical behaviour before they occur in real life.

More than third of decision makers at the level of corporate management constantly encounter occasions to make ethical compromises in order to achieve company's or their own gains (Maltby, 1988). Business ethics is foremost matter of trust and relations between individuals and/or companies. That leads us to the necessity of observing ethical standards in different cultures, social structures, different countries dependant on different levels of growth and therefore economic development. Especially it must be noted that "in every society (social community, author's remark) ethical standards are connected with (precisely, a.r.) defined ideals or models" (Supek, 1972, 167.) of behaviour which may be of importance for all who want to have active role in globalized world.

## 2. CONCEPTUAL FRAMEWORK

Business ethics was the subject of studying and theoretical and empirical researches for a long time. Theoretical model of making ethical decision in business usually emphasizes personal traits or influence of a company in defining ethical decision and ethical behaviour in doing business (Ferrel & Gresham, 1985.). Simultaneously, empirical researches uncover positive linkage between making ethical decision and personal traits (i.e. gender) but as well working experience (Posner, 1986.), personal ethical choices and attitudes (Forsyth & Pope, 1984.), management style (Fritscher & Becker, 1984.), working environment/atmosphere (Gartner, 1991) ... but also ethical training (Arlow & Urlich, 1985.; Penn & Collier, 1985.).

Ethical behaviour is taught in the family, in contacts with friends, associates and acquaintances, in church, in sport clubs, at school... Each of these groups has their own, usually unwritten, rules of behaviour, value system and prevailing attitudes. It might be said: its "standards". The more time an individual spends in certain value system in regards with ethical behaviour in certain group the greater the likelihood that this value system he/she will take on this value system and apply it in his/hers future contacts only with that but other groups, too. Thus, it can be stated that always one group imposes itself as dominant and that dominance is a result of time spent socializing with that group. In same way a parallel can be drawn with ethical business-making – the image of employees in respect to ethical traits of their co-workers, colleagues and supervisors often has more predictive character of their behaviour than their own moral and ethical value system (Ferrell & Gresham, 1985.)

Not all people have the inclination towards ethical behaviour – so-called: social "sociopaths" are those that in unethical way use the relations and organization (company, corporate subjects) for their own interest and of which the highlight is creation of own personal "social" network that results in social

role and power at the expense of everybody else. This is sometimes hard to recognize as unethical behaviour because that kind of behaviour is hidden primarily by socially beneficial goals or is presented as a consequence of one's own abilities and ambitions but since it occurs via unethical behaviour it is subject to disapproval. Because of that but also in general educational institutions and companies need to teach people ethics and guide and motivate them to behave ethically; because - although individuals might have good intentions - solely good intentions (to ethically behave) are not enough (Trevino & Nelson, 2010, 19.). Of course, intentions can be a great predictor but in the end behaviour is thing that matters and that differs from intentions. Needed knowledge and skills for making ethical decision in certain activities and complex corporate subjects can be a consequence of many personal ethical dilemmas and there needs to be a possibility that knowledge and skills be acquired during formal educational process but also continuously enhanced during whole working age.

### **3. PURPOSE OF RESEARCH**

The intention of research is to facilitate the knowledge of ethical considerations and that primarily through monitoring the basic postulates and predicting the future framework of business ethics in Croatia. The main goal is to uncover and keep track of differences in ethical considerations and possible future ethical behaviour in business among diverse student groups as observed by some certain characteristics and their thoughts on the need for and way of studying the ethics. Some researchers have shown that female students have greater ethical standards in comparison with male students (Arlow, 1991.; Peterson et al., 1991.; Poorsoltan et al., 1991.; Lane, 1995.; Keith et al., 2009.). At the same time other researches have shown there are no difference in respect to gender (Davis & Welton, 1991.; Stanga & Tupen 1991.). Furthermore, it is interesting to see if there are any differences in respect to whether students consider themselves leaders or not.

In more detail, research was designed as to find out the attitudes of students in order to: a) predict their future behaviour in diverse (possible) common real-life business situations that can cause ethical dilemmas and also to predict possible future unethical behaviour in business-making; b) unravel the linkage between intended behaviour and traits of students (with special stress on gender of respondents and their own self-perception as leaders) and c) uncover the students' attitudes in regards to ethics and importance of studying the ethics. This is all observed during time-frame of nineteen years on three occasions (1996, 2007, 2015.) with comparable researches (same situations, same instruments, comparable sample of respondents, and comparable ways of contacting the examinees...). The results of research made in 1996 and theoretical part on the matter were published (Vranešević et al., 1998; Vranešević & Frajlić, 2003) and those students nowadays have over 40 years and already some 15 years of working experience.

#### 4. METHODOLOGY

##### **Instrument of research was high-structured questionnaire.**

Questionnaire was developed on the basis of studying literature where presented are result of research (Ferrell & Skinner, 1988, Lane, 1995.; Pizzolato & Bevill, 1996.) as well as on the basis of own judgment of frequency and importance of diverse business dilemmas. In the questionnaire, 20 business situations are presented and related decisions to be made on which respondents needed to express how much they agree or disagree on the scale from 1 to 5 where 1 means "I totally agree" and 5 means "I totally disagree." The idea was try to present real and not-too-complex business situations. Almost all claims represent unethical business decisions and/or behaviour (except for claims for situation 1 and 2 that were after the gathering of the answers and before analysis "transferred" into unethical decision/situations). Decisions/situations are shown in tables 2, 3 and 4. Differing opinions on the relevance of the situations are accepted and can only serve as cause for further research. After the student expressed the level of their (dis)agreement on presented situations, behaviour or decisions they were also asked to express their agreement on questions related to ethics in educational systems and to respond to questions on socio-demographic characteristics and on the questions related to their preferences for team work, do they consider themselves leaders and so on.

**Sample and sampling.** Sample in all three researches was purposely selected, apposite sample of students from Faculty of Business and Economics, University of Zagreb, Croatia (Ekonomski fakultet Sveučilišta u Zagrebu, Hrvatska) that were on lectures or seminar during the surveying by which it means they were given questionnaires in paper form at the beginning of the class, that is lecture which they then filled in. In the last research in 2015 one part of sample was contacted via on-line questionnaire (this represents in total 186 respondents; 38% of total sample). Through on-line sampling contacted were 677 students and response rate was 27.5%.

There wasn't any overlap between students that were contacted with on-line survey and students that filled questionnaires in paper form. The survey was anonymous; respondents were chosen in respect to years of study (undergraduate study of business at Faculty of Business and Economics, University of Zagreb lasts 4 years, master is taught at 5<sup>th</sup> year of study). First survey (research) was in November 1996, the sample consisted of 397 students. Second was in April 2007 and the sample consisted of 425 students. Finally, third survey (research) was done in March 2015 and the sample consist 485 students. Each of these three years (1996, 2007 and 2015) was in certain way significant: first post-war year, year in longer period of intensive economic growth and 7th year in period of economic crisis.

**Analysis** was done on the level of each research in respect to gender of students (respondents) and in respect if they consider themselves as leaders or not. Given preliminary steps were made before the analysis – answers to questions whether the examinees consider themselves a) leaders, b) followers, or c) something in-between were classified simply into two categories: leaders or not-leaders. Furthermore, almost all of the situations (18 out of 20) represented unethical behaviour and two that represented ethical behaviour were replaced with unethical situations – thus situations 1 and 2 were made, in this way, into situations where examinee “would not” report the boss... and “would not” offer clients... General questions related to ethics and importance of studying ethics during educational process were analysed to find out the frequency of answers, shown with certain indicators (%) so it would be easier to notice eventual differences in responses over time.

**Characteristics of the sample.** Sample in each year of research was observed as to its basic characteristics through which observed were other results and that are gender of respondents and their –self-perception whether they are leaders or not. Basic characteristics of the sample are shown in table 1.

Table 1

Characteristics of the sample

Year	Total	Male	Female	Leaders	Not-leaders
1996	397 (100%)	112 (28%)	285 (72%)	91 (23%)	308 (77%)
2007	425 (100%)	107 (25%)	318 (75%)	147 (35%)	278 (65%)
2015	486 (100%)	145 (30%)	341 (70%)	196 (40%)	290 (60%)

*Source: author*

Based on gender of examinees samples in certain researches are similar and more present are female students than male students. There is pronounced tendency towards number of students who proclaim, see themselves as leaders and that might indicate changes in educational system and/or society in general.

## 5. RESULTS

Average grades for all three researches conducted at the level of collective samples are shown in table 2.

Table 2

Average grades of agreement with business situations/claims

<i>I</i>	<i>1996</i>	<i>2007</i>	<i>2015</i>
01. wouldn't report the boss that cheats on travel expenses or expenses of representation	3,40	3,01	3,28
02. wouldn't offer my clients entirely true view of business that I do for them, on their demand	4,15	4,03	4,13
03. would show female and male models in underwear for promoting motorcycles	3,19	2,97	3,12
04. would show only some data because I know the total end result wouldn't please my client	3,41	3,41	3,37
05. wouldn't consider ecological problems in order to achieve gain for my company	4,34	4,09	3,85
06. would try to employ handsome looking person for my associate	3,16	3,33	3,42
07. would launch „false“ research in order to gather data about my clients	3,96	4,04	4,05
08. wouldn't tell the complete truth to my clients about certain things in order to protect my company	2,51	3,02	3,10
09. would somewhat alter facts, data in intent to achieve better personal business goals	3,46	3,43	3,49
10. would gather prices of competitors by way of pretending I am a customer	2,16	2,42	2,40
11. would spend more time than needed to get the job done	3,15	2,64	2,59
12. would present achievements of others as mine own	4,64	4,45	4,36
13. wouldn't tell the whole truth to my clients about certain things in order to protect my interest	3,17	3,40	3,47
14. would sell the third party results of market research	4,27	4,09	4,14
15. would use services of the company for my own purposes	3,57	3,27	3,47
16. would made business deal with a company that is well known for not caring about environment issues	4,12	3,79	3,55
17. would secretly take company's equipment/material and small inventory	4,24	3,64	3,77
18. would continue with a project although I've made a serious mistake that however no one can notice	3,74	3,44	3,50
19. would make an alteration/compromise in respect to reliability of study (data) in order to finish the project	3,29	3,11	3,14
20. would pursue personal business during the company's working hours	3,57	3,11	3,31

Note: shown are average grades on scale 1 do 5 where 1 represents total agreement and 5 total disagreement.

*Source: author*

On the collective level there are no great differences except that it can be noted that examinees were somewhat more inclined toward unethical behaviour in 2007 and toward ethical behaviour in 1996 and this can be observed by looking

at the sum of all average grades across years: 71.5 in 1996; 68.7 in 2007; 69.5 in 2015.

In the tables 3 and 4 shown are average grades in certain researches according to year of their launch and in respect to basic characteristics through which observed are average grades: by gender, by self-perception of students (do they see themselves as leaders or not) and through observation if there are any statistically significant differences in average grades that represent answers on the level of collective on scale 1 to 5.

Table 3

Average grades of agreement with business situations/claims according to gender of respondents

<i>I</i>	1996		2007		2015	
	Male	Female	Male	Female	Male	Female
01. wouldn't report the boss that cheats on travel expenses or expenses of representation	3,27	3,45	2,90	3,05	3,30	3,27
02. wouldn't offer my clients entirely true view of business that I do for them, on their demand	3,98	4,22	3,78	4,12	4,02	4,18
03. would show female and male models in underwear for promoting motorcycles	2,10	3,62	2,15	3,24	2,50	3,39
04. would show only some data because I know the total end result wouldn't please my client	3,31	3,45	3,22	3,47	3,13	3,47
05. wouldn't consider ecological problems in order to achieve gain for my company	3,97	4,49	3,81	4,19	3,44	4,02
06. would try to employ handsome looking person for my associate	2,59	3,39	2,74	3,53	2,96	3,62
07. would launch „false“ research in order to gather data about my clients	3,73	4,05	3,59	4,19	3,86	4,13
08. wouldn't tell the complete truth to my clients about certain things in order to protect my company	2,48	2,63	2,78	3,11	2,70	3,27
09. would somewhat alter facts, data in intent to achieve better personal business goals	3,04	3,63	2,98	3,58	3,13	3,65
10. would gather prices of competitors by way of pretending I am a customer	1,80	2,30	2,03	2,56	2,15	2,50
11. would spend more time than needed to get the job done	3,11	3,16	2,55	2,67	2,51	2,62
12. would present achievements of others as mine own	4,45	4,72	4,15	4,55	4,30	4,38
13. wouldn't tell the whole truth to my clients about certain things in order to protect my interest	2,90	3,28	3,11	3,50	3,19	3,59
14. would sell the third party results of market research	3,93	4,41	3,69	4,22	3,93	4,22

15. would use services of the company for my own purposes	3,30	3,68	2,83	3,42	3,21	3,58
16. would made business deal with a company that is well known for not caring about environment issues	3,65	4,30	3,40	3,92	3,21	3,70
17. would secretly take company's equipment/material and small inventory	4,10	4,29	3,41	3,72	3,76	3,78
18. would continue with a project although I've made a serious mistake that however no one can notice	3,45	3,85	3,08	3,57	3,17	3,63
19. would make an alteration/compromise in respect to reliability of study (data) in order to finish the project	3,12	3,35	2,93	3,18	2,99	3,20
20. would pursue personal business during the company's working hours	3,35	3,65	2,73	3,23	3,01	3,44

Note: shown are average grades of answers corresponding to scale 1 to 5 where 1 represents full agreement and 5 full disagreement; shaded – statistically significant differences among average grades as obtained by taking the t-test on independent samples with  $p < 0.05$

Source: author

In general, female students show greater inclination toward ethical behaviour than their male colleagues as observed through average grades of their answers. Statistically significant differences of average grades are evident in 14 situations in 1996, 18 situations in 2007 and 15 situations in 2015

Table 4

Average grades of agreement with business situations/claims according to self-perception as a leader of respondents

I	1996		2007		2015	
	Leaders	Not-leaders	Leaders	Not-leaders	Leaders	Not-leaders
01. wouldn't report the boss that cheats on travel expenses or expenses of representation	3,33	3,42	3,07	2,99	3,25	3,29
02. wouldn't offer my clients entirely true view of business that I do for them, on their demand	4,14	4,15	4,02	4,04	4,11	4,15
03. would show female and male models in underwear for promoting motorcycles	2,91	3,30	2,76	3,08	2,86	3,30
04. would show only some data because I know the total end result wouldn't please my client	3,38	3,42	3,38	3,42	3,23	3,47

05. wouldn't consider ecological problems in order to achieve gain for my company	4,32	4,35	4,03	4,13	3,72	3,94
06. would try to employ handsome looking person for my associate	2,93	3,23	3,20	3,40	3,23	3,55
07. would launch „false“ research in order to gather data about my clients	3,83	4,00	3,97	4,08	3,84	4,19
08. wouldn't tell the complete truth to my clients about certain things in order to protect my company	2,69	2,56	2,96	3,06	2,96	3,19
09. would somewhat alter facts, data in intent to achieve better personal business goals	3,30	3,51	3,29	3,50	3,33	3,60
10. would gather prices of competitors by way of pretending I am a customer	2,04	2,19	2,24	2,52	2,31	2,46
11. would spend more time than needed to get the job done	3,03	3,18	2,45	2,74	2,62	2,57
12. would present achievements of others as mine own	4,58	4,65	4,45	4,45	4,37	4,35
13. wouldn't tell the whole truth to my clients about certain things in order to protect my interest	3,00	3,32	3,41	3,40	3,38	3,53
14. would sell the third party results of market research	4,14	4,31	4,18	4,04	4,19	4,10
15. would use services of the company for my own purposes	3,35	3,64	3,21	3,31	3,37	3,53
16. would made business deal with a company that is well known for not caring about environment issues	3,98	4,15	3,81	3,77	3,52	3,58
17. would secretly take company's equipment/material and small inventory	4,15	4,26	3,61	3,66	3,82	3,74
18. would continue with a project although I've made a serious mistake that however no one can notice	3,61	3,77	3,37	3,49	3,51	3,49
19. would make an alteration/compromise in respect to reliability of study (data) in order to finish the project	3,30	3,29	3,06	3,14	3,13	3,14
20. would pursue personal business during the company's working hours	3,34	3,64	2,97	3,18	3,25	3,36

Note: shown are average grades on the scale 1 to 5 where 1 presents full agreement and 5 full disagreement; shaded – statistically significant differences of average grades as obtained by taking t-test on independent samples with  $p < 0.05$

*Source: author*

Student that perceive themselves as leaders show less inclination towards ethical behaviour than their colleagues that perceive themselves as not-leaders, as observed through average grades of their responses. Statistically significant differences of average grades are evident in 4 situations in 1996 and 2007 and in 5 situations in 2015. In one situation not-leaders show less inclination towards unethical behaviour (in 2007 and 2015 (situation n.14)) and in one situation (n.11) in 2015 but statistical significance of this differences with  $p < 0.05$  is not recognized.

On claims “lecturers at undergraduate studies should teach ethics in lectures” and “ethical questions are stressed enough in my undergraduate study” obtained are answers shown in tables 5 and 6.

Table 5

(Dis)agreement with the claim “Lecturers at undergraduate studies should teach ethics in lectures” in all three researches; %

<b>Response</b>	<b>1996</b>	<b>2007</b>	<b>2015</b>
I fully agree	29,7	30,6	29,8
I agree	56,7	55,8	52,9
Don ´t have an opinion	10,3	10,8	13,6
I disagree	2,0	2,6	2,5
I fully disagree	1,3	0,2	1,2

*Source: author*

It is easy to notice that students in majority (86.4% in 1996 and 2007 and 82.7% in 2015) agree or fully agree that lecturers should teach ethics at undergraduate studies in all three researches.

Table 6

(Dis)agreement with the claim “Ethical questions are stressed enough in my undergraduate studies” in all three researches; %

<b>Response</b>	<b>1996</b>	<b>2007</b>	<b>2015</b>
I fully agree	5,0	2,8	1,6
I agree	31,7	20,2	27,0
Don't have an opinion	26,7	28,9	34,6
I disagree	32,2	42,6	34,2
I fully disagree	3,8	5,4	2,7

*Source: author*

Small number of students agrees with the claim that ethical questions are stressed enough at undergraduate studies. The greatest disagreement was in 2007 and greatest agreement in 1996.

Responses how students in all three researches evaluate a) lessons on business ethics, b) if the undergraduate study prepared them for dealing with ethical dilemmas in practice and c) if their opinion on matter of business ethics changed during their studying are shown in table 7, 8 and 9.

Table 7

Responses on question: “In general, how do you evaluate lessons on business ethics?” %

<b>Response</b>	<b>1996</b>	<b>2007</b>	<b>2015</b>
Excellent	2,7	2,4	1,4
Very good	13,7	13,4	18,7
Neither good nor bad	54,3	57,4	59,1
Somewhat bad	15,2	14,6	12,1
Bad	14,1	12,2	8,6

*Source: author*

Only small number of students evaluates lessons on business ethics excellent or very good in all three researches wherein majority evaluate them as neither bad nor good.

Table 8

Response on the question “Do you think that lessons on business ethics at undergraduate studies prepared you well for dealing with ethical dilemmas in practice?”, %

<b>Response</b>	<b>1996</b>	<b>2007</b>	<b>2015</b>
Yes, significantly	0,7	3,5	0,8
Adequately enough	13,9	16,0	21,4
Somewhat	54,9	50,4	53,3
Not at all	30,5	30,1	24,5

*Source: author*

From 15% (1996), 20% (2007) to 22% (2015) students think that lessons taught on the matter of business ethics at undergraduate level has prepared them very well, that is significantly, or that it prepared them adequately enough for dealing with ethical dilemmas in real business world. Fact is that is very small number of student (only 1 out of 5 it can be said), however, some comfort provides slight increase in the number that thinks so.

Table 9

Responses to question “Did your opinion on the matter of business ethics changed since You began studying?”, %

<b>Response</b>	<b>1996</b>	<b>2007</b>	<b>2015</b>
Yes, significantly	10,1	9,6	10,9
Somewhat	52,8	50,1	49,4
Not at all	37,1	40,2	39,7

*Source: author*

The fact is that from 37% to 40% of examinees in all three researches express their opinion on the matter of business ethics didn't at all changed since the time they start studying which indicates that for majority it changed and that thus lessons on business ethics at undergraduate studies are important.

Responses in which in all three researches students express preferences for: a) team work or independent work, b) getting the job in public or private company are shown in tables 10 and 11.

Table 10

Responses to question “Do you prefer team work or working on your own?”, %

<b>Response</b>	<b>1996</b>	<b>2007</b>	<b>2015</b>
Team work	58,6	53,6	48,1
Independent work	27,5	26,6	25,3
No preference	13,9	19,8	26,5

*Source: author*

Over time it can be observed the increasing number of students that don't have preferences, independent work is stagnating and number of students who prefer team work is falling.

Table 11

Responses to question “Would you rather work in public or in private company”, %

<b>Response</b>	<b>1996</b>	<b>2007</b>	<b>2015</b>
Private	43,4	45,9	47,5
Public	31,2	29,4	22,4
No preference	25,4	24,7	30,0

*Source: author*

Over time the number of students that would like to work in private company is increasing (47.5% in 2015) as well as number of students who have no preference (30% in 2015)

## 6. LIMITATIONS

Limitations of research lie foremost in that it was conducted only at Faculty of Business and Economics, University of Zagreb, Croatia. Moreover, student population of business schools is relatively small in comparison to total working population. Sample is relatively small and sampling in 1996 and 2007. was convenient (convenience sample) and it consisted of available students in classes, and in 2015 the sample was combined of students in classes (62% of total sample) and students reached via on-line *survey* (38% of total sample).

Limitations can also be that the educational system has changed as Croatia adopted Bologna system of education and therefore in 2015. research participated also students at graduate studies. Due to all that the results can be considered as only indicative. In addition, despite that it is generally accepted that results of research conducted on students can project, apply to whole education

and thus also the study of students' attitudes towards business ethics (Peterson et al., 1991.) it still remains unanswered how would students really react in real business situations (Murphy, 2010.).

## 7. CONCLUSIONS

The results can be seen in respect to application of teaching business ethics at university level connected with business and economic fields. Observed in whole the results do indicate the trend of business ethics and its teaching over longer period of time (as according to prevailing conditions) in process of educating a manager.

Separately, the results of research indicate that:

- proportion of female students is significantly higher than proportion of male students: 72% in 1996, 75% in 2007 and 70% in 2015
- proportion of students who consider themselves as leaders are increasing: 23% in 1996, 35% in 2007 and 40% in 2015
- female students in greater amount show intention and tendency towards ethical behaviour than their male colleagues: 14/20 situation in 1996; 18/20 in 2007 and 15/20 in 2015 (statistically significant characteristics)
- students that consider themselves as not-leaders show more ethical behaviour than their colleagues that consider themselves as leaders: 4/20 situations in 1996 and 2007; 5/20 situations in 2015 (note: it can be assumed that greater number of female students neutralizes this greater number of "leaders" that is their intentions towards unethical behaviour)

Moreover, it is worth noting that according to opinion of students business ethics is not stressed, taught enough at undergraduate level of education (including graduate studies per research done in 2015). More than half of students over all three researches agree that "lecturers should stress more ethics in their lectures".

Over 60% of students stated that their opinion on the matter of business ethics did change (significantly and/or somewhat) from since they start studying which indicates that for majority it changes during study.

Ethics is directed to that right is what society think right is, while moral is dependent on individual and his/hers belief on what is right or wrong. Society governs and defines ethics, and ethics can be observed through time and place, in contrast to personal moral which is not limited neither by time, place nor society. That even more indicates the importance of systematically designed teaching of ethics in business at undergraduate and graduate level of education and even at the level of life-learning process.

Obtained results can serve as indicators and providers of guidelines for teaching of business ethics. In teaching business ethics stress should be on prevailing ethical principles over common (in) formal standards in business since

in that way responsible practices of companies can be achieved and which is connected with sustainable development and the living conditions of future generations.

## REFERENCES

- Arlow, P. (1991) Personal Characteristics in College Students - Evaluations of Business Ethics and Corporate Social Responsibility, *Journal of Business Ethics*, 10., 63-69
- Arlow, P., Ulrich, T.A. (1985) Business Ethic and Bousiness School Graduates: A longitudinal study, *Akron Business and Economics Review*, 16(Spring), 13-17
- Davis, J.R., Welton, E.R. (1991) Professional Ethics: Business Students' Perceptions, *Journal of Business Ethics*, 6., 451-463
- Ferrell, O.C., Gresham, L.G. (1985) A Contingency Framework for Understanding Ethical Decision Making in Marketing, *Journal of Marketing*, 49(3), 87-96
- Ferrell, O.C., Skinner, J.S. (1988) Ethical Behaviour and Bureaucratic Structure in Marketing Research Organisations, *Journal of Marketing Research*, Vol. XXV, February, 103-109
- Forsyth, D.R., Pope, W.R. (1984) Ethical Ideology and Judgements of Social Psychological Research: Multidimensional Anallysis, *Journal of Personality and Social Psychology*, 46(6), 1365-75
- Fritsche, J.D., Becker, H. (1984) Ethical Behaviour of Marketing Managers, *Journal of Business Ethics*, 2, 291-299
- Gartner, K.N. (1991) The Effect of Ethical Climate on Managers' Decisions, in: Coughlin, R.M. (editor), *Morality, Rationality and Efficiency: New Perspective on Socio-economics*, Armonk, Sharpe, 211-223
- Keith, K.N., Perreault, R., Chin, M., Keith, M. (2009) The Effect of Gender on the Importance of Business Ethics and Managerial Decisions: A Student Perspective." *Delta Pi Epsilon Journal* 51 (3): 125-136
- Lane, J. (1995) Ethics of Business Students: Some Marketing Perspectives, *Journal of Business Ethics*, 15., 571-580
- Maltby, E.D. (1988) The One-Minute Ethicist, *Cristianity Today*, February 19., 26-29
- Murphy, P.E. (2010). *Marketing Theory: A Student Text*, SAGE, 95
- Penn, W.Y., Collier. B.D. (1985) Current Research in Moral Development as a Decision Support System, *Journal of Business Ethics*, 4., 131-136

- Peterson, R.A., Beltrami, F.R., Kozmetsky, G. (1991) Concerns of College Students Regarding Business Ethics: A replication, *Journal of Business Ethics*, 10., 733-738
- Pizzolato, B.A., Bevil, S. (1996) Business Ethics: A Classroom Priority?, *Journal of Business Ethics*, 15, 153-158
- Poorsoltan, K., Amin, G.S., Tootonchi, A. (1991) Business Ethics: Views of Future Leaders, *SAM Advanced Management Journal*, (winter), 4-9
- Posner, B.Z. (1986) Individual's Moral Judgement and its Impact on Group Processes, *International Journal of Management*, 3(2), 5-11
- Pulišelić, S. (1980) *Osnove sociologije*, 12. ed., Zagreb, Informator, 379
- Stanga, K.G., Tupen, A.R. (1991) Ethical Judgements on Selected Accounting Issues: An Empirical Study, *Journal of Business Ethics*, 10., 739-747
- Supek, R. (1972): *Sociologija*, Školska knjiga, Zagreb, 166-169
- Trevino, K. L., Nelson, A. K. (2010) *Managing Business Ethics*, John Wiley & Sons, 2010, 19
- Vranešević, T., Marušić, M., Gonan Božac, M. (1998) Business Ethics - Challenge for Management, *Izzivi managementa*, 17; Portorož, Slovenia, Book of Proceedings, ISBN 961-232-024-1; 495-500
- Vranešević, T., Frajlić, D. (2003) Business Ethics as Competitive Advantage?, *Annals of DAAAM for 2003 & Proceedings of the 14th International DAAAM Symposium*, Sarajevo, B&H, ISSN 1726-9679, 491-495