

BUSINESS ETHICAL NORMS IN RUSSIA:
INTEGRATIVE SOCIAL CONTRACTS THEORY PERSPECTIVE

DISSERTATION

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Natalia Markova

from

Russia

Approved on the application of

Prof. Dr. Ulrich Schmid

and

Prof. Dr. Thomas Maak

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The President

Prof. Dr. Thomas Bieger

Abstract in English

Local ethical practices in a given business and organizational context are clues for ethical judgments, yet research has elucidated a small number of them in Russia. Drawing on the Integrative Contracts Social Theory and models of ethical decision making, this dissertation has developed an integrative-based approach to examine local business practices in Russia from an ethical point of view. Specifically, this study examines attitudes and behavior of Russian managers towards ethical dilemmas and which factors (individual, organizational and environmental) influence their ethical choices.

This dissertation addresses three major research questions relevant to business ethics, organizational behavior and international management. First, it addresses the question of what relationship exists between the attitudes and the behavior of the Russian managers towards local business practices. Second, it addresses the question of how individual, organizational and environmental factors affect the attitudes and the behavior of the managers. Thirdly, it addresses the question of what relationship exists between the factors influencing the attitudes and the factors influencing behavior.

Based on data from 106 Russian managers across the country, this dissertation finds significant associations between the attitudes and the behavior towards the local business practices. Furthermore, it establishes a strong influence of individual, organizational and environmental factors on the attitudes and the behavior of the managers. Finally, a significant relationship between factors influencing the attitudes and the behavior is also revealed. The potential theoretical and practical values of the findings are discussed, as are implications and suggestions for future research.

Abstract in German

Die in einem bestimmten geschäftlichen und organisatorischen Rahmen üblichen Verhaltensweisen, lassen Rückschlüsse auf ethische Entscheidungen und die diesen Entscheidungen zu Grunde liegenden ethischen Prinzipien zu. Die Forschung hat allerdings nur eine kleine Anzahl solcher Prinzipien in Russland aufgedeckt. Basierend auf der integrativen Sozialvertragstheorie, entwickelt diese Dissertation ein integratives Verfahren, um lokal übliche Verhaltensweisen in einem geschäftlichen Umfeld unter ethischen Aspekten zu untersuchen. Konkret untersucht diese Dissertation die Einstellungen und Verhaltensweise Russischer Manager angesichts ethischer Dilemmata und welche Faktoren, seien es individuelle, organisatorische oder umgebungsbedingte, ihre Entscheidungen beeinflussen.

Diese Dissertation behandelt drei zentrale Forschungsfragestellungen, die für die Geschäftsethik, für das Verhalten von Mitarbeiterin in einem Betrieb und für das internationale Management wichtig sind. Zunächst wird die Frage angegangen, welche Beziehung zwischen Haltung und Verhalten der russischen Manager bzgl. der lokalen Geschäftspraktiken besteht. Danach wird der Frage nachgegangen, wie individuelle, organisatorische und umgebungsbedingte Faktoren die Haltung und das Verhalten der Manager beeinflussen. Zuletzt wird untersucht, welche Beziehung zwischen den Faktoren besteht, die die Haltung beeinflussen, und denjenigen, die das Verhalten beeinflussen.

Eine Stichprobe mit 106 russischen Managern aus allen Regionen zeigte eine signifikante Verbindung von Haltung und Verhalten mit den üblichen Geschäftspraktiken. Darüber hinaus wurde ein signifikanter Einfluss individueller, organisatorischer und umgebungsbedingter Faktoren auf die Haltung und das Verhalten der Manager nachgewiesen. Schließlich konnte noch eine signifikante Beziehung zwischen den Faktoren aufgedeckt werden, die die Haltung beeinflussen, und denjenigen, die das Verhalten beeinflussen. Der mögliche theoretische und praktische Wert der Erkenntnisse wird diskutiert, wie auch Folgerungen und Anregungen für weitere Forschungsarbeit formuliert werden.

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List of abbreviations

AG	Aktiengesellschaft
BRIC	Brazil, Russia, India and China
CEO	Chief executive officer
CoE	Council of Europe
e.g.	Exempli gratia (for example)
et al.	Et alii (and others)
etc.	Et cetera (and so forth)
FDI	Foreign direct investment
HSG	The University of Saint Gallen
i.e.	Id est (that is)
ISCT	Integrative Social Contracts Theory
MBA	Master of business administration
NEP	New Economic Policy
OECD	Organization for Economic Co-operation and Development
PACI	Partnering Against Corruption Initiative
SPSS	Statistical Package for the Social Sciences
UNCTAD	United Nations Conference on Trade and Development
US	United States
USSR	Union of Soviet Socialist Republics
WTO	World Trade Organization

1. Introduction

1.1. Context: Russian business and ethics

Today, Russia, one of the largest growing markets among the BRIC countries, continues its path to market development and makes significant contributions to international trade and global wealth. The latest World Economic League Table 2015 ranked the Russian economy in 10th place (Centre for Economics and Business Research, 2015). Russia receives continuous attention from international investors who are searching for new business opportunities and, as a result, for the first time in its history, Russia was called the third largest recipient of FDI in 2013, behind the US and China (UNCTAD, 2013). Although, this booming trend is very likely to slow down or even stop between 2015 and 2017 due to the sanctions imposed by the US and European Union and low oil prices, in the long run Russia is expected to keep pace with economic growth and promote FDI in collaboration with foreign partners.

However, to run a business in Russia is not that easy. Some of the evident obstacles for an international business, especially a western one, are the local business practices and ethics. Many of which deviate considerably from those commonly used in the wider world. There have been numerous cases of corruption in the country of late, with local and foreign businesses involved (Ellyatt, 2013). Russians have tended to deal with business partners in different ways, for instance, a famous case of American company “Ben & Jerry Inc.” revealed that its Russian colleague “borrowed” the equipment of a joint-stock venture for its personal commercial benefit (Puffer & McCarthy, 1995). Corporate governance also might be in a shadow as two leading Russian oil companies Rosneft and Transneft opened basic documents about their performance to the Union of Minority Shareholders only according to Law Court judgment (Loiko, 2011). Furthermore, scholars have stressed that Russian managers use favors to accomplish business goals (McCarthy, Puffer, Dunlap, & Jaeger, 2012), and do little to support international standards of reporting to company management about improper or unethical behavior of their co-workers (Hisrich, Bucar, & Oztark, 2003). These examples are only a small sample of the business practices in Russia that form the source of a number of critical issues for international businesses. However, the question arises to whether these practices are ethical, and which related standards should be used to judge business behavior in the particular context of such as Russia.

In the light of this concern, this dissertation studies Russia context-specific business practices, whether they express local ethical norms in the country, and how individual, organizational and environmental factors influence them.

1.2. Research Gap and Research Questions

Business ethics in Russia have resulted in an emerging stream in academic literature. Historical and cultural peculiarities along side with economical and geopolitical impacts of Russia have caused a genuine research interest in the subject over the past decade (Ardichvili et al., 2012; Avtonomov,

2006; Ciulla, 1994; Donaldson & Dunfee, 1994; Ledeneva & Shekshnia, 2011; McCarthy & Puffer, 2008; Neimanis, 1997; Puffer & McCarthy, 1995, 1997, 2011). One of the most popular topics in this literature area is the ethical orientation of Russian managers and employees, which have been extensively studied in cross-cultural frameworks. The findings of this research body are mixed. Some studies have proposed that Russian business ethical beliefs diverge deeply from those of other nations and, compared to them, reflect a low level of ethical sentiment (Ahmed, Chung, & Eichenseher, 2003; Bucar, Glas, & Hisrich, 2003; Robertson, Gilley, & Street, 2003). Another example has supported a convergent model (Beekun, Westerman, & Barghouti, 2005). The third mode of the research has argued for a convergence-divergence mix-model (Hisrich et al., 2003; Sommer, Welsh, & Gubman, 2000). Thus, the business ethical orientation of Russians remains mostly unclear. Furthermore, a common shortcoming of this research body is the usage of overseas ethical standards and a disconnection from the context of ethical decision-making. As a result, Russian business beliefs and norms have been oversimplified and have frequently received negative ratings. In this connection, literature on social and institutional perspectives on business ethics in Russia have explicitly stressed the importance of taking into account traditional values (Puffer & McCarthy, 2011; Sidorov, Alexeyeva, & Shklyarik, 2000) and business contexts (Apressyan, 1997; Avtonomov, 2006; Welter & Smallbone, 2011; Wheat, Swartz, & Apperson, 2003) while passing ethical judgments on Russians.

Integrative Social Contracts Theory of Donaldson and Dunfee (Donaldson & Dunfee, 1994, 1999) suggests that local ethical norms in a given business and organizational context are clues for ethical judgments of managerial behavior. This theoretical thesis was confirmed by a number of studies. Quantitative research carried out by Spicer, Dunfee, and Bailey (2004) and Bailey and Spicer (2007) have analyzed attitudes and behavior of Russians and Americans managers who had worked in Russia. They revealed that those Americans managers followed local ethical norms in their business behavior in Russia. Another two conceptual studies of McCarthy and Puffer (2008); Puffer and McCarthy (1997) have investigated the local practices such as ignoring arbitrary laws, personal favoritism, low levels of trust, and disdain for the concept of private property. These local practices have received ethical justification in the Russian context. Furthermore, Wooley has suggested that personal relations define business behavior in Russia and, therefore, the practice of facilitating payment might be considered more as “relationship replacement than as a bribe” there (1997:31). However, despite a critical importance of local business norms in ethical decision-making, a small number of them in Russia have been detailed in literature. There is therefore substantial room and justification for further inquiries.

This dissertation, following an ISCT research stream, aims to fill this research gap and examine context-specific business practices, whether they express local ethical norms in Russia and how different factors influence them. The following practices are tested in this dissertation: using a favor to accomplish a business goal, disclosure of confidential information, payment of unofficial wages in cash and the non-reporting to company management about the improper behavior of co-workers. According to ISCT, local norms, in order to be established, have to combine two interconnected components: the aggregate attitudes and the aggregate behavior of managers towards business

practices (Donaldson & Dunfee, 1999:39). Given that, the first research question helps to assess the consensus between attitudes and behavior of Russian managers towards the business practices. The question is formulated as following:

Q1: What relationship exists between ethical attitudes and intended behavior of Russian managers towards local business practices?

ISCT states further that the nature of local ethical norms is diverse across the international business world (Donaldson & Dunfee, 1999). Each business community generates contextual and reasonable local norms, which find moral and philosophical justification in a cultural and a socioeconomic environment of their origin. Therefore, numerous factors establish a context within which individuals shape their attitudes and behavior in a certain manner, and thereby, structure local ethical norms. Our understanding of which and how factors affect ethical decision making in organizational and business contexts has been advanced by a number of theoretical models (Ferrell & Gresham, 1985; Hunt & Vitell, 1986, 2006; Jones, 1991; Rest, 1986; Trevino, 1986). These factors can be categorized into three distinct areas: environmental, organizational, and individual factors.

Literature on Russian business and ethics has shed light on important factors shaping the local business ethical practices. Among individual factors, social contacts, interpersonal relationships and friendships have been highlighted (Ayios, 2003; Fey & Denison, 2003; Michailova, 2000, 2002; Shekshnia, 1994). With respect to organizational motives, survival business strategy (Jasin & Shestoporov, 2010) and traditional leadership (Fey & Shekshnia, 2011; Kets de Vries, 2000) have received a strong level of confirmation. Furthermore, an uncertain and unstable economic environment (May, Stewart, & Sweo, 2000; Peng, 2001, 2003), a low effectiveness of the law (Peng, 2001) and traditional cultural-social norms (Puffer & McCarthy, 2011; Welter & Smallbone, 2011) are central environmental factors of ethical decision making in Russia. However, the literature does not provide an integrated and clear picture about the influencing factors of local practices in a Russian context. Numerous forms of research have tested different factors, mostly focused on one cluster of factors. Moreover, the limited studies on ISCT in Russia (Bailey & Spicer, 2007; McCarthy & Puffer, 2008; Puffer & McCarthy, 1997; Spicer et al., 2004) have only provided conceptual analysis of the issue.

The purpose of this research is to address a gap in the study of how individual, organizational and environmental factors affect ethical attitudes and the intended behavior of Russia managers. In addition, this dissertation assumes the environmental, organizational and individual factors that influence the ethical attitudes and the intended behavior of the Russian managers in a certain interrelated manner. In other words, the factors influencing the ethical attitudes are interconnected with the factors influencing the intended behavior of the managers. This approach allows the analysis of separate components of ethical norms: ethical attitudes and intended behavior, local ethical norms, and common factors influencing those norms.

The following factors are tested in this dissertation: individual: personal system of convictions, values, and beliefs, important referents' convictions, values, and beliefs; organizational: business

goals of an organization, norms and practices of executive leadership, systems of reward and sanctions within an organization; environmental: economic environment of business operations, legal regulations and norms, cultural-social norms. Given that, the second research question helps to assess how individual, organizational, and environmental factors affect the attitudes and behavior of the managers, while the third question helps to assess relationships between the factors influencing the attitudes and the factors influencing behavior. The questions are formulated as following:

Q2: How do individual, organizational and environmental factors affect ethical attitudes and intended behavior of Russian managers towards local business practices?

Q3: What relationships exist between the factors influencing ethical attitudes and the factors influencing intended behavior of Russian managers towards local business practices?

This dissertation seeks to provide answers to these three questions and to develop implications for theory and practice. To do so, literature on Russian business ethics, Integrative Social Contracts Theory and factors of ethical decision-making are reviewed. A number of hypotheses are developed and integrated into one model. These hypotheses are tested with data from 106 Russian managers across the country.

1.3. Contributions

By answering research questions, this study offers several theoretical and practical contributions. From a theoretical perspective, this dissertation seeks to contribute to literature on business ethics, organizational behavior and international business research.

More specifically, with respect to business ethics research this study contributes a number of aspects. First, it develops a model of local ethical norms that integrates the Integrative Social Contrast Theory (Donaldson & Dunfee, 1994, 1999) with a number of theoretical models of ethical decision making (Ferrell & Gresham, 1985; Hunt & Vitell, 1986, 2006; Jones, 1991; Rest, 1986; Trevino, 1986). The research model aims to shed light on interrelated components and the influencing factors of local ethical norms. Secondly, the study's focus on local ethical business practices in a specific business community strengthens the empirical database of the Integrative Social Contracts Theory (Donaldson, 2009; Dunfee, 2006; Glac & Kim, 2009). Finally, this study provides an extensive literature review on the current state of knowledge in the field of Russian business ethics including critics, and suggestions for future directions of research.

Furthermore, organizational behavior research may benefit from this dissertation. Business and organizational behavior of Russians are analyzed in broad organizational and environmental settings. To do so, this dissertation contributes to a discussion about the significance of taking into account historical, cultural and institutional traits of a given context when passing judgment on behavior there (Bailey & Spicer, 2007; McCarthy et al., 2012; Puffer & McCarthy, 1997; Spicer et al., 2004). This study also adds to the few conceptual and empirical works that investigate factors of ethical decision-making in transition economics like that found in Russia (Ledeneva, 1999; Puffer

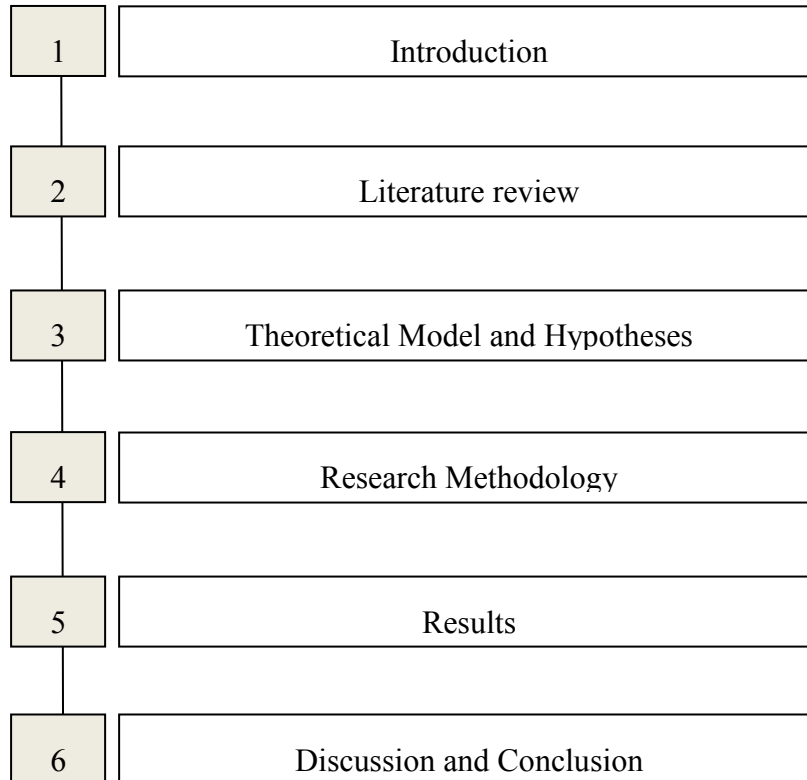
& McCarthy, 1997, 2011; Sidorov et al., 2000; Venard, 2009; Woolley, 1997). In addition, this study encourages especially the debate that environmental and organizational often factors force managers to compromise their individual values (De George, 1993; Sommer et al., 2000) and to be involved in corrupt practices in Russia (Beck & Lee, 2002; Fituni, 2000). Finally, the study adds to the small body of research on ethics and gender in Russia (Deshpande et al., 2000a).

This dissertation not only contributes to literature on business ethics and organizational behavior, but also improves the methodology for international research. It follows the call to increase methodological rigor for studies in transition economics by investigating local business and organizational practices (Meyer, 2006; Puffer & McCarthy, 2007) and employing context-specific instruments for its study (Michailova & Liuhto, 2001). The proposed model of local ethical norms and factors influencing upon them, as well as, empirical methodology of this dissertation can be used further to address various issues about the interplay of an individual, an organization and social and business environments either in other specific cultural and business contexts or in cross-cultural studies.

Besides these theoretical contributions, this study reveals interesting implications for management practices. More specifically, this study's results help foreign companies to better understand business and organizational behavior of the Russians and thereby to adjust their ethical and business perspectives in order to support their operations in the country. This dissertation also provides suggestions for local companies about how they can advance their organizational policies and practices to become more ethically and internationally orientated and thereby improve the management of those companies. From an organizational ethics perspective, this dissertation might guide managers in assisting of shaping of a new ethical organizational culture or the refining of an existing one. Finally, the results of this dissertation can help both the Russian government and local authorities to better understand the authentic factors of wide-spreading unethical and corrupted business practices in the country.

1.4. Dissertation Outline

This dissertation consists of six chapters which follow the logical flow of the main research steps. Figure 1 presents the organizational structure of the study.

Figure 1: Study outline

Chapter 1 introduces the research context and elaborates the relevance of the research by describing the research gap and presents the study's research questions. Furthermore, I point to potential contributions to theory and practice.

Chapter 2 provides the literature review on Russian business ethics in three levels of the analysis. The macro level depicts research on socio-historical perspectives and institutional transition; organizational level focuses on studies on corporate governance, organizational culture, business practices, and corruption; finally, individual level discusses research on business ethical orientation of Russian managers, as well as, research on leadership. Chapter 2 closes with a critique of the current situation, and suggests future directions for research on Russian business ethics.

Chapter 3 covers the development of the theoretical model. To do so, I introduce a central tenet of the Integrative Social Contracts Theory – a concept of local ethical norms. Then I employ various models of ethical decision-making to discuss a mixture of factors influencing ethical decisions in Russia, focusing on its core theoretical and empirical arguments. Based on a research frame, two hypotheses on attitudes and behavior of Russian managers with relation to ethical dilemmas and two hypotheses on factors influencing upon the attitudes and the behavior are developed. These hypotheses are summarized in the research model at the end of the chapter.

Chapter 4 describes research the methodology of the study. I explain the choice of research methods and show where and how data was collected, including the sample characteristics. I then present five ethical scenarios which were included into the questionnaire and describe how the questionnaire was developed. Next, the validity and reliability of the study instrument were

established. I then introduce the methods and data analysis procedures, especially the process of testing hypotheses using a crosstabulation table, Pearson's chi-square test, Mantel-Haenszel test, binary logistic regression and Kendall test (tau-b). *Chapter 4* closes with an ethical consideration.

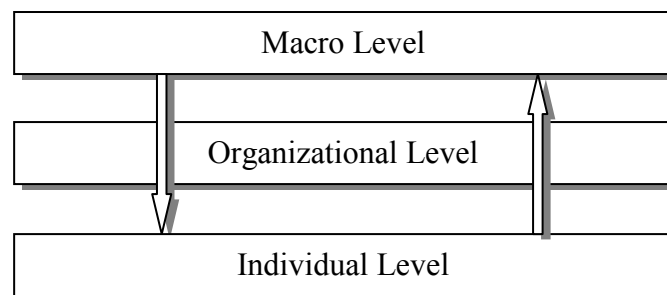
Chapter 5 describes the results of quantitative analysis which was performed in three steps.

Chapter 6 contains this study's discussion. First, the empirical results are interpreted in detail and connections to existing literature are shown. Next, I explain the implication of this study relating to theory and research methodology. I then discuss the implications of the study relating to management practices focusing on the following issues: foreign and local companies, ethical culture in organizations and Russian government and local authorities. I also outline theoretical and methodological limitations of the study and point to avenues of future research.

2. Literature Review

This section is devoted to the literature review on Russian business ethics research. The purpose of the review is to provide an exhaustive literature analysis, to criticize the current situation, and to suggest future directions for research. By this way, I will identify research gaps and establish an empirical basis and argumentation for my research. To frame the literature, I have adopted De George's model for research into business ethics which consists of three level of analysis (1987): the macro system relating to the socio-economic environment; the level of organization covering enterprises; and individuals (see Figure 2). The socio-economic system defines the main conditions of organizational and individual activity, ethical norms included. An organization, in turn, influences individual beliefs and behavior. An individual is examined in terms of the moral-agent of ethical decision-making within an organization and the society. Thus, this framework allows a synthesis of the main findings at each level of the analysis and to contribute to the understanding of Russian business ethics in a broad conceptual framework. The primary focus of the literature search was the English-written articles published in international ethical, management, and business journals from the 1990s through to 2012. Additionally, a number of book chapters in English and a couple of studies on Russian were included.

Figure 2: Model of Business Ethics Research



Source: adapted from De George (1987:204).

2.1. Macro-level research on business ethics in Russia

My research has identified numerous studies that have investigated ethical issues in Russia from a macro-level perspective. Most of these studies have fallen into two main clusters: research on socio-historical perspectives and institutional transitions of the last twenty-five years. In addition, as a starting point, I have included a short analysis of the ethical-economic concepts of the prominent Russian scholars of pre-revolutionary time of 1917. Some of these concepts laid the foundations for the further development of the economy and ethics in the country.

2.1.1. Russian economic and ethical thoughts at the turn of the 19th and 20th centuries

Ethical aspects of economic processes were among the main concerns of the Russian philosophy and economic research in the nineteenth and twentieth centuries. Various original concepts on economy, moral, and ethics were discussed at that time. Among those, the studies of S. Bulgakov,

P. Kropotkin, V. Lenin, G. Plekhanov, and M. Tugan-Baranovsky deserve particular attention. One of the noted representatives of the socialist theory in Russian economics, Tugan-Baranovsky (1865-1919), used Kant's concept of the supreme value of an individual to consider ethics as a unifying basis for competing social interests. In contrast to Plekhanov and Lenin, he dismisses a class-based morality and argues for ethics as a key aspect of socialist notions (Barnett, 2005). Another representative of the socialist approach, Bulgakov (1871-1944), has made an important contribution to political economy and ethics. He shares the idea of political economy that contemporary life is primarily attributed to the economic process which is directed to wealth growth. However, he severely criticizes economism for neglecting spirituality and morality which are regarded by him as important factors of the economy (Bulgakov, 2008) In his study "Philosophy of Economy", Bulgakov made an attempt to reconcile rational principles of economism with religious and moral grounds of Genesis (2000).

Another approach to morality and ethics is presented by orthodox Marxism's scholars: Plekhanov and Lenin. The founder of Russian Marxism, Plekhanov (1856-1918), argues for a class morality: moral and ethics attributed to a mode of production and relations of production. Therefore, a fall of bourgeois morality would be caused by the emergence of a proletariat morality. Morality exists for human beings, but not human beings for morality. At the same time, Plekhanov shares some concepts of ethical idealism, particularly, the principle of human being as an end in itself (Plekhanov, 1940). The most well-known follower of Marxism in Russia was Lenin (1870-1924) who, in fact, had developed further Marxism to a radical branch. The main thesis of Lenin's moral is a total rejection of morality as an integral element of human spirit. There is only the moral of separate classes. Communist morality is entirely subordinated to the interest of a proletarian's class struggle. "Our morality stems from the interest of the class struggle of the proletariat" (1975:10). The goal of that struggle is to destroy the classes of capitalist and small-scale peasant-owners, and against exploitation and inequality. Communism is a solely economical, political, and moral ideal for Russian society (Lenin, 1975).

One of the prominent Non-Marxian socialism scholars is the anarchistic thinker Kropotkin (1842-1921). In the paper "Field, Factories, and Workshop" he refuses private property and manufacturing (1901). Economical issues are analyzed from the standpoint of being beneficial for the whole society rather than for the individual. Therefore, he is also against exclusive proletariat's property, and instead the common use of land and factories is vindicated. In the paper "Mutual Aid" he emphasizes the role of mutual aid for social evolution and advocates the notion of economical and social brotherhood (2009). Kropotkin has made a significant contribution to positive ethics. The ethical aspect is viewed as a universal principal of society being emancipated from any religion and metaphysical consideration.

In sum, many creative approaches to the economy and ethics were developed in the pre-revolutionary era in Russia. However, most of those concepts did not receive further attention during the Soviet time. The ethical ideas of Bulgakov, Kropotkin and others were completely ignored by the Soviet state which acknowledged Marxism and Leninism exclusively.

2.1.2. Socio-historical perspectives of Russian business ethics

From a historical point of view both, the concepts of free market economy and business ethics, are relatively new in Russia. The historical analysis by Apressyan (1997) distinguishes the following phases in recent Russian history: the pre-revolutionary economy mostly connected to merchant practices, experience of a centralized economy of the Soviet era, and the transition towards the free market in the past twenty five years. Within the pre-revolutionary era, the public sector was hypertrophic while the sector of private enterprises was very small. For instance, entrepreneurs together with their families made up only 1 % of the population of Russia at the beginning of the twentieth century (Petrov, 1998). Public attitudes to entrepreneurship and profit seeking activities are described as negative and disrespectful (Ciulla, 1994). Scholars have stressed a huge gap between the lives of millions of poor peasants and the few of educated and nobles. For that reason, as Petrov assumes, bourgeoisie failed in consolidating the different groups of the society and could not bring about the power that they came into after the February Revolution in 1916 (1998). Labor ethics in the country were formed under the influence of orthodox religion, the tradition of cooperative work (the so-called *artel*), and the widespread use of forced labor. Besides, employment law was weak, the wages were low, and there were no workers' unions until 1905 (Ivanov, 1998). To sum up, Barnett points out that "In the Russian context, the transition from feudalism to capitalism was a protracted and complex process that had not been fully consummated even by 1913, either in law or in reality" (2005:15).

Since 1917 Marxism dominated among different economic approaches in Russia. After 1929 the Russian economy finally turned away from a moderately open mixed economy of the New Economic Policy (NEP) towards a totally centralized command economy. The nature and the content of economic discourse changed dramatically and became a mere expression of Communism (Stalinism) ideology. Reincarnation of ethics as an academic subject occurred in the 1960s in USSR (Guseynov, 2003). That ethical approach was called Marxism-Leninism ethics and was purposed with building up normative requirements for communist builders. During the Soviet period public attitudes towards the market economy were at a nadir (Filatov, 1994). In this way, for instance, labor ethics of Soviet time mainly referred to the dictatorship of the proletariat and the state property. The labor of industrial workers was overestimated, while the labor of farmers and the intellectuals was underestimated. In addition, salary was almost independent of the amount and quality of work. This impacted up the motivation of people to work. In one of the earliest researches on Soviet ethics, De George (1964) notes that an individual in the Soviet state did not play a role of "a moral agent" in regard to economic matters. These remnants of Soviet ideology have still been influencing contemporary business ethics and the stereotype of an unethical and illegal nature of business (Neimanis, 1997; Sidorov et al., 2000).

Gorbachev's reforms in 1985-1991 were initiated by the idea of combining of the socialism political and economical system with elements of market economy that could be associated somehow with the NEP-style of the period 1919-1929 (Barnett, 2005). However, the reform led to full-scale privatization, price liberalization and a free market. Unfortunately, these processes resulted in an

oligarch-controlled economy and the administrative-command system with widespread corruption. Russian's oligarchs together with the bureaucracy control a substantial part of the economy including natural resources industries. The top ten families or ownership groups owned 60.2 percent of Russian's stock market in 2004 and that is much higher than in any other country in continental Europe (Guriev & Rachinsky, 2005). Even a market-orientated economy is dominating in economic discourse nowadays; in fact, the current model of the Russian economy is far from the western approach of a market economy. To this day, Russian government has been continuing to intervene aggressively in the markets and activities of "free" enterprises (Donaldson & Dunfee, 1994). Thus, the traditional autocratic division between the state and society, and mistrust among social actors are still concerns in the country (Taylor, Kazakov, & Thompson, 1997). The socio-economic reforms of the 1990s forced society to accept new values and norms that opposed those of the soviet period within a short period of time. Not surprisingly, the contradiction between belief systems, the contemporary and its predecessor, provoked a deep moral crisis in Russia (Sidorov et al., 2000). Scholars have pointed out that the concept of free entrepreneurship has not yet received wide approval; quite often entrepreneurs are viewed as immoral, devoid of integrity, and deficient in talent and hard work (Kuznetsov & Kuznetsova, 2005).

In conclusion, research on the socio-historical perspectives of Russian business ethics highlights a number of factors, such as the restricted experience of a free market economy, a long period of socialism, a lack of business ethics discourse, and, ultimately, the drastic socio-economic reforms of the 1990s, which have caused the social moral crisis. That is why there is a notable gap between emerging Russian business values and international standards.

2.1.3. Institutional transition

Over the last two decades, the Russian institutional environment has been undergoing fundamental transitions from a command-orientated economy to one that is market based. McCarthy, Puffer, and Naumov (2000) in their study on the transition defines its four consecutive phases: "commercialization", known as the market beginning; then "privatization", when ownership of many state enterprises are passed onto private hands; "nomenklatura" referred to as "wild" privatization, whereby the infamous Russian oligarchs emerged along with their government alliances; and, finally, "statization" associated with a government's strong intervention in the economy. McCarthy et al. concluded that "after a decade of experimentation <...> Russia had clearly begun to retreat <...> to many practices of its earlier centralized economy" (2000:258). This drastic institutional transition has resulted in the unique economic model combining the dominant state-monopolistic sector, the submissive private small-and-middle-scale business, and a huge shadow economy (Avtonomov, 2006). As a result, uncertainty and instability (May et al., 2000; Peng, 2001, 2003), inequality of business possibilities for different economic agents (Sidorov et al., 2000), nepotism, corruption and enormous illegal practices (Ledeneva, 1999), and, finally, the bureaucracy have all become prominent features of the national economy. This distorted economic model is one of the key sources of unethical business behavior in the country.

Drawing on North's (1990) institutional environment framework, a number of studies deal with issues of formal and informal institutions in Russia (Aidis, Korosteleva, & Mickiewicz, 2008; Puffer & McCarthy, 2011; Welter & Smallbone, 2011). Overall, scholars agree that, in spite of the sound progress which has been made over the last twenty years, the institutional environment in the country is in need of further solid development, specifically, the low effectiveness of the law is stressed (Peng, 2001; Wheat et al., 2003). In 2011 Russian Minister of Justice, Alexander Kononov observed, "The Law is cumbersome, contradicting and imperfect in many aspects. It is characterized by the lack of system, instability and selectivity of application" (translated by the author, http://yukaz-yurist.blogspot.com/2011/05/blog-post_17.html).

In the context of the weak legal and economic institutions, according to Puffer and McCarthy (2011), "a formal institutional void" had emerged in Russia, which was further filled by "cultural-cognitive institutions <...> based on cultural traditions" (2011:24). In other words, instead of playing a complementary role, social norms and values have substituted the formal institutional factors of business decision-making. In this connection, Welter and Smallbone (2011) argues that economic agents have been guided by "previous learned behavior" that is in many respects grounded in traditional attitudes and values of the Soviet heritage. Moreover, scholars have stressed that public approval has not been sought during the development of the new political, legal and economical institutions. Some of these institutions have come to clash with the moral-ethical values and norms of the society (Puffer & McCarthy, 2011; Welter & Smallbone, 2011). While formal rules can be swiftly changed, influenced by political and legal decisions, social beliefs and behavioral patterns are not liable to such impetuous transformations (North, 1990). Thus, in Russia the previous public mentality and the stereotypes still occupy dominant positions in decision-making.

The numerous illegal practices such as bribery and money laundering have become mainstays of the national business environment and they are a key concern of Western business. The institutional perspective suggests that organizational deviance (e.g. illegal practices) is a product of the system itself via a normalizing process. A model of deviance normalization at the community level was applied by Earle and colleagues (2010) to examine illegal practice of wage arrears during the 1990s in Russia. They found that a company's involvement into the practice of wage arrears has been strongly stipulated by the widespread use of the practice in the community. Moreover, the prevalence of arrears in the community has considerably decreased the workers' exit and the voice against the firms which were engaged in the practice. The authors stress the importance of a context and a social meaning within the individuals and organizations involved while analyzing deviant actions.

To sum up, researching the institutional transition in Russia has disclosed a set of interesting insights shedding light on the current state of business ethics in Russia. The national economic model due to the institutional transition has weak formal institutions. These institutions, in turn, have come to clash with the cultural-and-moral heritage of the Soviet era. The informal institutions, namely, the social norms are also in deep decline. In such a setting, an evolution of new economic

and work ethics has become more complex. Thus, after two decades of transition, establishing business ethics is still a problem in Russia today.

2.2. Level of organization

I continue the review with the second element of the analysis - the level of organization. Organizational business ethics in Russia have been the subject of numerous quantitative and qualitative studies over the last twenty years. I distinguish between the following topics which all feature in the body of this research: corporate governance, organizational culture, business practices, and corruption.

2.2.1. Corporate governance

Corporate governance codifies the major principles behind running a business, ethical standards included. The new system of corporate governance in Russia has received an increased amount of attention in recent years (Douma, George, & Kabir, 2006; Estrin, Poukliakova, & Shapiro, 2009; Estrin & Prevezer, 2011; Judge, Naoumova, & Koutzevol, 2003). For the purpose of the present review, I study research which focuses on the socio-cultural context of corporate governance in Russia as it assists our understanding of Russian business ethics.

The history of corporate governance in Russia began with the adoption of the first national Code of Corporate Conduct in 2002 (www.corp-gov.org). In the absence of native traditions, The Code was developed under the international standards of the Organization for Economic Co-operation and Development (OECD) and was based on the principals of the agency theory (McCarthy & Puffer, 2002). In spite of the undertaken efforts, the current state of the corporate governance is a product of the national history and traditional institutions. (Buck, 2003; Zhuplev & Shein, 2005). The process of the interaction of the national culture and the business experience with the principles of overseas corporate governance are conflicting because of the diverse nature of each. For instance, McCarthy and Puffer (2008) have proved the cultural incompatibility of the agency theory with some traditional practices, deeply influencing corporate government, such as withholding corporate information, a lack of transparency, insufficient degrees of private property respect, and personal favoritism. Another case is the Coca-Cola Company's Business Code, which requires employees to report all contraventions to their managers whereas this norm is viewed as rather immoral by Russians (Sidorov et al., 2000).

Besides this, the institutional problems still remain. Estrin and Prevezer (2011) points out that the informal institutions associated with corruption and nepotism have undermined corporate governance principles such as shareholder rights and relationships with investors. Furthermore, a lack of law enforcement and justice means that the rights of the minority and foreign outside investors are not secure; leading shareholders and managers to take unlimited control over company assets and profits. Additionally, the wide-ranging involvement of the state into the economy causes an inequality among economic agents. Overall, the cultural-historical traditions and the shape of formal institutions do not ensure the rights of shareholders.

What is a direction of further developing of corporate governance in Russia? McCarthy and Puffer (2002, 2003) proposes a return to the basic norms and traditions. For instance, taking into account, traditional networking and the Soviet experience of workers' involvement in company decision-making, a model of the corporate governance could be reshaped similar to the network-based model in Germany and Japan (Puffer & McCarthy, 2003). No doubt, the emergence of the corporate governance serves as a prominent signal of moving Russian business towards international business standards. However, the current state of the corporate governance does not yet act as an ethical beacon in full scale due to its youth, and the imbalance of its formal and the informal elements. The success of the corporate governance in Russia depends on whether "a theory" can be reconciled with the national socio-business context and further institutional changes.

2.2.2. Organizational culture

Organizational culture reflects shared formal and informal norms within a company (Bommer, Gratto, Gravander, & Tuttle, 1987). A large body of the literature has examined the organizational culture of Russian companies. This research sheds light on organizational practices and inner dynamics within Russian firms that also facilitates our understanding of ethical issues.

One of the first studies in the field by Elenkov (1998) used the Hofstede's framework to draw a general description of organizational culture in Russia, including collectivism, power distance, uncertainty avoidance, autocratic leadership style, and vertical team work. The latest studies have added to this narrative such attributes as the value of job security (Fey & Björkman, 2001), paternalism (Michailova, 2000), decision making avoidance, misuse of time, little value of responsibility and firm goal sharing, and a weak company's mission, (Fey & Denison, 2003). Other authors, in addition, have stressed power consolidation, formal status, task setting and control on one's hand, poor information flow and sharing information, little empowerment (Michailova, 2002), punishment for mistakes (Fey & Shekshnia, 2011), lacking initiative (McCarthy, Puffer, Vikhanski, & Naumov, 2005), and boss loyalty (Shekshnia, 1994). Meanwhile scholars have highlighted that the critical value of organizational culture in Russia is social contacts and interpersonal relations. (Fey & Denison, 2003; Michailova, 2000, 2002; Shekshnia, 1994). As Ayios (2003) notes, interpersonal trust or mistrust is likely to be a key element of organizational dynamics within a Russian company and its success in the market. The study on value management in Russian organizations by Zavyalova (2009) has revealed that at the time of environmental and social uncertainty companies have had a strong influence upon the individual values of their employees. However, organizational values, in most cases, have merely formal characters, and they do not correlate with employees' individual motives. This contradiction between organizational and individual values results in a low level of employees' loyalty to companies.

A further recurring theme in the literature is the diverse and controversial sub-cultures that exist within Russian firms. Fey and Denison (2003), for instance, have observed numerous sub-cultures of various departments in companies that lead to only a slight understanding of a company as a whole among employees. Additionally, sub-cultures of "old" and "new" generations are stressed

(Alexashin & Blenkinsopp, 2005; Fey & Denison, 2003; McCarthy, Puffer, & Darda, 2010). The old generations have adhered to the soviet organizational norms, whereas the young ones have been associated with market-oriented values. However, a borderland between both generations is washed away. For instance, McCarthy, Puffer, May, Ledgerwood, and Stewart Jr (2008) give the example of two young employees whose salary rise did not bring about the necessary motivation expected of the greater responsibility that accompanied that pay increment. Further, foreign participation in Russian companies frequently causes subcultures to evolve, for instance Western managers and Russian employees (Michailova, 2000). This phenomenon has created obstacles that prevent the effective coordination and integration of companies' operations.

A number of researchers have studied organizational change and knowledge transfer in Russian firms. A study by Engelhard and Nägele (2003), focusing on the organizational learning of multinational companies in Russia, identified a set of behavioral and cognitive patterns that prevent knowledge transfer: department focus, informal networks, political behavior, and a lack of absorptive capacity while encouraging an unwillingness to question rules. Another interesting study on organizational change by Michailova (2000) has pointed out the values of stability and continuity as barriers to effective organizational change. The Russians tend to extrapolate their past experience into the present time in order to secure jobs (Shekshnia, 1994). Consequently, strategic organizational change meets either passive or covert resistance, and, finally, it leads to adaptation rather than transformation of the organizational environment (Michailova, 2000). These findings are supported by the study on organizational culture and effectiveness of Fey and Denison (2003). It was found that effectiveness relies more on organizational adaptability and flexibility in Russia. An additional obstacle of organizational change and learning is the different social meaning held by Russians on many Western management concepts such as leadership, time, planning, control (Michailova, 2000, 2002; Shekshnia, 1994). For instance, Russian staff found the western management styles based on approachability and empowerment practices as "too soft and confusing" (Michailova, 2002:183).

To operate effectively within the Russian context Westerners need to understand the values and the traditions of their employees, and to adapt new organizational practices to Russian culture. Michailova and Hutchings (2006) in their study on Russia and China have suggested that traditional vertical collectivism, particularism and in-groups networks can facilitate knowledge sharing. Furthermore, May and colleagues (2005) recommend a cultural based approach for transferring management practices. In a similar vein, the recent study of Koveshnikov, Barner-Rasmussen, Ehrnrooth, and Mäkelä (2012) on Finnish multinational companies in Russia have argued that a culturally based approach and a local competence is key to successful transfer mechanism. Besides, investment in employees' development and reliance on local resources also contributes to accomplishment of the transferring process. The cases of the UPM Paper and Mars companies have illustrated that the overseas organizational norms such as empowerment and unrestricted information flows are welcomed by Russian staff as long as those norms are grounded on fairness, transparency, meritocracy, and involvement (Fey & Shekshnia, 2011).

To my knowledge, only a single cross-cultural study by Ardichvili and colleagues (2012) has addressed the issue of ethical organizational culture in the BRICs, Russia included. They have found out that Russian and Chinese companies have the lowest level of business ethics standards, as compared to their Brazilian and Indian counterparts. Specifically, formal ethical rules, senior management and a low level of business trust did not support ethical standards among Russian firms. The results of others studies (Deshpande, George, & Joseph, 2000a; Robertson et al., 2003) also indicate poor business ethical procedures in Russian organizations.

The research on ethical climates in Russian companies varies. Managers and entrepreneurs have reported on the presence of an opportunistic climate, where legislation and formal organizational rules are neglected, and self-interested actions and friendship tend to prevail over company efficiency and collective spirit (Sommer et al., 2000). Employees of state's educational institutions have remained loyal to the "rules organizational climate" which is associated with organizational rules compliance (Deshpande et al., 2000a). Students, in turn, have indicated the presence of "efficiency organizational climate" that refers to a positive link between efficiency and the right way (Jaffe & Tsimerman, 2005).

To sum up, organizational culture in Russia is under the influence of the national culture and managerial traditions. A set of the attributes of the traditional organizational culture such as autocratic leadership, department focus and poor horizontal informational floors have been inherited from the Soviet times. These attributes along with the value of stability and a unique set of sub-cultures complicate transformation of organizational values and norms towards market-oriented standards. It seems to be a challenge to define and to establish new organizational ethical norms in a Russian company since they should reflect the polar values in many respects.

2.2.3. Business Practices

A small number of studies have analyzed context-specific business practices for Russian business and organizational environments. A study by Puffer and McCarthy (1995) has illustrated that the Russians and the Americans have ethical agreements with respect to many aspects of business such as keeping one's word, trust, fair competition, the black market, price gouging, refusing to pay debt etc. Nevertheless, some practices are interpreted differently by each group. Thus, the practices of personal favoritism, price fixing, data manipulating and ignoring senseless law are likely to be acceptable in Russia compared to the U.S., whereas maximizing profits, supporting exorbitant salary differentials, layoffs, and whistle blowing are acceptable for the Americans but not for the Russians.

Another study of Puffer and McCarthy (1997) used the Integrative Social Contracts Theory (ISCT) of Donaldson and Dunfee (1994, 1999) to evaluate the ethical legitimacy of several questionable business practices in Russia: extorting, managerial buying-outs of enterprises, breaking of contracts, ignoring arbitrary laws, using personal favoritism and laying off employees. According to the findings the first three practices are clearly unethical, while the remaining are legitimate in an ISCT context. In their next research, McCarthy and Puffer (2008) have examined the ethicality of other

traditional business practices: a low level of trust, disdain for the concept of private property, and personal favoritism or *blat*. Two theoretical frameworks were used for ethical judgments: agency theory and ISCT. It was proved that the practices could be evaluated as unethical from an agency theory viewpoint, whereas from an ISCT perspective they are rather ethical, answering to the traditional local norms. The studies of Puffer & McCarthy have confirmed the significance of taking into account historical, cultural and institutional factors when passing judgment on ethics in the Russian context. In their recent research McCarthy et al. (2012) have substantially analyzed the practice of the use of favor to accomplish business goal in BRIC countries, Russia included. The historical, cultural and institutional origins of wide acceptance of the practice in Russia have been elucidated. In consideration of the weak formal institutions and historical-cultural peculiarities of doing business in the country, scholars suggest that the practice might be considered as ethical.

2.2.4. Corruption

Corruption is an important ethical issue for any society or an organization. Frequently Russian business practices deviate considerably from those commonly used in the wider world, and widespread corruption is one of the major obstacles for businesses operating in the country. In view of this, a number of studies have been sought to examine the nature and patterns of corrupt practices in Russia.

Among the origins of Russian corruption, Kurkchiyan (2000) has stressed a moral lapse as a consequence of current transitions, Fituni (2000) has considered corruption as an economic survival strategy, Galeotti (2001) has emphasized the influence of the Soviet-era in shaping corrupt behavior in Russian society, Volkov (2001) has underlined the aged-old history of corruption in the country. In addition, Dininio and Orttung (2005) has argued that the variation of corruption levels across Russian regions is defined by a number of bureaucrats and per capita incomes in a region. The recent study by Venard (2009) has found that organizational “mimetic isomorphism” and competition pressure rather than the institutional environment are the reasons for companies engagement in corruption. Other studies have set up a typology of Russian corruption practices (Ledeneva & Shekshnia, 2011), and has suggested a set of strategies to cope with corruption (Doh, Rodriguez, Uhlenbruck, Collins, & Eden, 2003; Fey & Shekshnia, 2011).

Just a few efforts have considered Russian corruption in the context of ethics. Woolley (1997) has proposed that personal connections in the business context mean more than just single transactions as in the Western sense. In Russia personal relations define a line of acceptance of and engagement in different practices. In this light, facilitating payments to Russian civil servants by Westerners, who are, in fact, strangers with insufficient personal connections in the country, might be perceived more as “relationship replacement than as a bribe” (1997:31). Similar findings were obtained by Beck and Lee (2002) in their study of how police students and officers justify their engagement into morally dubious behavior. Among the reasons to use a position for one’s own ends respondents have stated more frequently “only very close family and friends are involved” and “money isn’t involved”. The long-century tradition of reciprocal favors or so-called “*blat*” in Russia, according to

the scholars, is a cause of such behavior. However, I think, these forms of behavior might also be considered as social obligations or expectations within a family and friends' circle. In addition, the research has revealed that morally dubious practices are also caused by low pay, regular opportunities and entrenched unethical standards in organizational cultures.

To sum up, in spite of the high popularity of the theme of corruption in academia and mass media, an aim to understand Russian corruption in the context of national ethics has received scarce attention. The cultural-ethical dimension facilitates a reconstruction and an enriched perception of corruption in Russia or, at the very least, a different perspective.

2.3. Level of individual

Research on individual ethics is the next level of my analysis. The individual ethical beliefs and behavior of Russian managers and employees have received broad academic attention. Two major topics could be distinguished in this research body: the business ethical orientation of managers and employees, and leadership.

2.3.1. Ethical orientation

A number of studies have attempted to paint a general ethical orientation of managers and employees in Russia. Most of those studies were conducted within a cross-cultural framework and addressed a set of complex issues such as predominant ethics orientation, conceptualization of "ethical sensitivity", etc. The findings of this research body are mixed. In the study of ethical orientations of managers and entrepreneurs, Sommer et al. (2000) has argued that, Russians appear to be more idealistic than their American counterparts. On the contrary, Robertson et al. (2003) has found that Russian managers appear to be more relativistic compared to Americans. The research on students' ethical orientation (Ahmed et al., 2003; Jaffe & Tsimerman, 2005) has also supported the concept of relativistic ethics. Another study (Beekun et al., 2005) has presented the notion of a predilection to utilitarian moral philosophy among Russian managers as a result of the traditional collectivistic culture. The findings of making profit and ethics tradeoff are also mixed, with some studies showing a positive inclination (Deshpande et al., 2000a; Jaffe & Tsimerman, 2005), and the others demonstrating a lower scope of willingness to profit and ethics tradeoff by Russians (Robertson et al., 2003). Meanwhile, a good number of studies have argued for situational factors of ethical business decisions (Beekun, Stedham, Yamamura, & Barghouti, 2003; Beekun et al., 2005; Robertson et al., 2003; Sommer et al., 2000). These might have been caused by the confused business environment and insufficient ethical procedures in companies.

Cross-cultural comparison has provided mixed assessments. Some studies have proposed that Russian business ethical beliefs deeply diverge from those of other nations and, compared to them, reflect a low level of ethical sentiment (Ahmed et al., 2003; Bucar et al., 2003; Robertson et al., 2003). Another has supported a convergence model (Beekun et al., 2005). Taking notice of importance of the types of values for examining cross-national ethics, another mode of the research has argued for a convergence-divergence mix-model (Hisrich et al., 2003). Russians and Americans

differ in their “instrumental values” (Sommer et al., 2000) or “context-specific local norms” (Bailey & Spicer, 2007; Spicer et al., 2004), but they share analogous “aspiration and terminal values” or universal “hyper” norms.

Association between law and ethics was a sub-subject of several noted earlier researchers. The results vary. Students have repeatedly indicated a positive association between law and ethics (Jaffe & Tsimerman, 2005), whereas managers and entrepreneurs have not considered law and customer regulations as behavioral guides (Sommer et al. 2000). The study of Meirovich and Reichel (2000) has investigated the attitudes of managers towards illegal practices. Most of the respondents have perceived the practice of tax evasion as ethical because of extreme high tax pressure beyond their means, whereas an illegal activity towards business partners was estimated as unethical. It seems that there are “double standards” in Russian business culture – one with respect to government, and the other towards a business partner. Companies’ disregard towards the government is likely to be a manifestation of the traditional confrontation between the state and the society (Taylor et al., 1997). Another reason is the poor efficiency of law in the country (Peng, 2001).

As has been shown, the research, principally quantitative, has used varied types of business actions such as making a profit and ethics tradeoff, taking credit for the ideas of others etc, to estimate the “ethical sensitivity” of the managers. Despite the evident contribution of those studies to literature, they were based on western frameworks of ethical decision-making, and, because of that, neglected the Russian specificity and business context. At the same time, the reviews on the socio-economic and organizational literature in this dissertation have confirmed that social dimensions of ethical judgment are critical in Russia. This claim has been addressed by two fascinating studies of Bailey and Spicer (2007) and Spicer et al. (2004). Drawing on the Integrative Social Contracts Theory, they have established some clear similarities between the ethical beliefs of American managers, deeply involved in the Russian business setting and their Russian counterparts; “for these American expatriate respondents, where they were - was more important than who they were” (Bailey & Spicer, 2007:1475). The Russian community’s norms have prevailed upon the country and the cultural norms of Americans. In contrast to internalized norms theory, the research takes up the ISCT perspective of multilevel interactions between the social and the individual context.

Another supportive angle to analyze interactions of an individual and a social context is proposed by De George (1993). He suggested discriminating a society level of behavior and individual level of morality. He has also emphasized a limitation of the internalization of social norms by an individual. A reason is that behavior might be rather provoked by forceful or compulsory social factors than a consequence of the individual internalization of societal norms. Following this framework, it can be assumed that personal ethical attitudes might differ from everyday practices. A number of studies on Russian business ethics have supported this preposition. Sommer et al. (2000) has indicated a clash between the individual idealistic orientations and the reported opportunistic organizational climate of Russian managers. Another research example (Jaffe & Tsimerman, 2005) has disclosed a set of disagreements between students’ attitudes. On the one hand, they have reported beliefs in business honesty and the unselfishness of a person’s action. On the other, the

students have been also favorable towards punishment and reward pressure on in ethical decisions, and have shown little concern about consequences for other people. Similarly, Spicer et al. (2004) has emphasized the negative public attitude towards salary payment delay that is, though, a common practice in Russia.

Gender studies are one of the interesting topics in business ethics research. However, just a single study of Deshpande et al. (2000a) has analyzed male and female managers' ethical beliefs in Russia. It was found that female managers consider indulgences such as accepting gifts, exploiting work time, embellishing expenses and consuming company materials for personal use much more unethical than their male counterparts.

To sum up, the business ethical orientation of Russians remains unclear. Prior research is limited and distinguished by a scarcity of empirical findings and their contradictions. Many scholars, using the western concepts of business ethics, have focused on the conceptualization of "ethical sensitivity" of Russians. Only a few studies, mostly based on ISCT, have focused on qualitative characteristics and specific motives of ethical choices in Russia. Those studies have clearly demonstrated the significance of taking into account historical, cultural and institutional factors when passing judgment on ethics in a Russian context. Therefore, there is substantial room for further research in the field.

2.3.2. Leadership

Leadership is assumed to be a primary factor to create a responsible and ethical company. CEOs set models of ethical and unethical behavior for their employees (Ferrell & Gresham, 1985; Trevino, 1986). Leadership in Russia has received broad attention over the last twenty years revealing a weighty academic and practical interest in the topic¹.

On the whole, scholars have agreed that leadership in Russia reflects the historic-traditional norm of strong and powerful leaders. Those leaders were "delivering extraordinary results, demonstrating superior ability, being exempt from the rules, being caregivers to the common people, and acting assertively" (Shekshnia, Puffer, & McCarthy, 2009 cited in Puffer&McCarthy, 2011:28). Scholars have argued that modern managers exhibit transactional leadership as a rule (Ardichvili, 2001b; Ardichvili & Gasparishvili, 2001; Kets de Vries, 2000; McCarthy et al., 2005). In particular, the managers are often authoritarian, reliant upon status, and the use of power (Kets de Vries, 2000). They also establish and control the order (Fey, 2008). Besides, Russian managers favor the "contingent rewards" approach by stressing specific benefits which their subordinates would receive by accomplishing agreed-upon tasks (Ardichvili, 2001b; Ardichvili & Gasparishvili, 2001). Additionally, punishments for mistakes, paternalism, and favoritism were also indicated as the features of national leadership (McCarthy et al., 2005). In such organizational environments, fear of punishment has become a primary motivation for employees, and boss loyalty has been exchanged

¹ For instance, see relevant section of the review of the Russian management research by Puffer, S. M. & McCarthy, D. J. 2011. Two decades of Russian business and management research: An institutional theory perspective. *Academy of Management Perspectives*, 25(2): 21-36.

for a freedom of accountability (McCarthy et al., 2008). At the same time, some quantitative studies (Ardichvili, 2001a; Ardichvili & Gasparishvili, 2001) have discovered that managers have had a high score of “unspiritual motivation” behavior which is a component of transformational leadership. It seems that Russian managers could exhibit the qualities of both transactional and transformational leadership styles and this assumption has been supported by the most recent studies. It was found by (Elenkov, 2002) that although transformational leadership predicts positively companies’ performance, transactional leadership also makes a positive contribution to companies’ achievements.

In order to build a long-run legitimate business and to compete in global and domestic markets, Russian business leaders need to improve their organizational and ethical practices. A critical target in this respect is to overcome the systematic resistance to organizational change (Kets de Vries, Korotov, & Shekshnia, 2008; McCarthy et al., 2008; McCarthy et al., 2005). Scholars have suggested that the main reasons behind this resistance are the traditions of authoritative leaders, the ineffective formal institutions, and the booming growth of the national economy between 2000 and 2008 (McCarthy et al., 2008). The undivided function of top managers and major shareholders in many Russian organizations is an additional obstacle in upgrading leadership (McCarthy et al., 2005). Another grave shortcoming of Russian leaders their limited business skills and knowledge (Kets de Vries, 2000; Korotov, 2008). The reason for that is a lack of professional development training in companies (Elenkov, 2002; McCarthy et al., 2008).

Leadership is a culture-specific phenomenon. Given this fact, several cross-cultural studies (Ardichvili, 2001a; Elenkov & Manev, 2005) have used the Hofstede framework to investigate the influence of socio-cultural dimensions on leadership in different countries, Russia included. The findings are mixed. The study of Ardichvili (2001a) has established a modest relationship between cultural values and leadership styles. In contrast, Elenkov and Manev (2005) have identified a significant influence of culture on managers’ behavior. Another body of research has compared the values of Russian managers with those of other nation managers. Puffer, McCarthy, and Naumov (1997) have found that Russian managers prioritize humanistic, organizational, and work ethical beliefs, whereas participation in managerial decisions, leisure ethics, and Marxist-Related values are less important to them. It seems that, similar to Westerners, Russians consider work as a meaningful and rewarding activity. They also emphasize the importance of individual efforts. A study of Alexashin and Blenkinsopp (2005), using the Schwarz Value Survey, has confirmed a convergence of the values of Russian and the US managers. Partial convergence of values of managers from Russia, the U.S., Japan, and China has been also established in cross-cultural research by (Ralston, Holt, Terpstra, & Kai-Cheng, 2008). Also by using the Schwarz Value Survey, the study has revealed that the managers in Russia seem to be more adoptive to the western work values than those who are Chinese.

A few studies have investigated the new business leaders in Russia. Consequently, Kets De Vries with his colleagues (Kets de Vries, Shekshnia, Korotov, & Florent-Treacy, 2004) have illustrated the new Russian leaders who have successfully developed their leadership style to meet new

domestic and global challenges. Those leaders have been shown to be flexible and innovative, providing a clear company's mission, and managing meanings, building trust, and cultivating initiatives in a firm. The later study by McCarthy et al. (2010), investigating leadership styles of entrepreneurs in Russia, revealed that some of them have succeeded in adopting an open-transformational style similar to that of their U.S. counterparts. In these studies, the younger managers in particular have demonstrated the ability to move beyond the organizational practices of the Soviet period.

A model of the national leadership, which would be favorable to Russia, has been widely debated among scholars. Kets De Vries and colleagues (Kets de Vries, 2000; Kets de Vries et al., 2008) have suggested that an authoritative rather than an authoritarian style might be well suited to the Russian mind-set. McCarthy et al. (2008) has advocated transformational leadership similar to Western style. Fey, Adaeva, and Vitkovskaia (2001) have proposed that “the statesman” style (task-oriented democrat) and “the clergyman” style (relation-oriented) could be the most successful models of leadership in Russia. The value of the latest research consists of original leadership models developed on Russian rather than Western concepts of leadership. Further, Fey (2008) has suggested adding to the style of a strong leader, the practice of employee involvement. Besides, the ability to cultivate an “intangible asset”, especially in terms of informal networking, has also been pointed out among the requirements for a successful manager in Russia (Kuznetsov, McDonald, & Kuznetsova, 2000).

To sum up, in general business leaders in Russia remain the conductors of traditional organizational and managerial practices from the Soviet period and the command economy. The systematic resistance and lack of business and management skills complicate organizational transformation, particularly, a cultivation of new ethical values. Meanwhile, there is a hope that membership of the WTO will help to bring about stronger competition in domestic markets, thereby helping to push forward a revision in the leadership style of Russian managers in order to sustain business. A critical role of new Russian leaders will consist of establishing new organizational and ethical cultures that support long-term goals.

Table 1 synthesis of the literature on Russian business ethics reviewed in this chapter.

Table 1: Russian business ethics research: A synthesis²

Issue	Main findings	Study
Macro level <i>Socio-historical perspective</i>	-Restricted experience of a market economy, -A long-period of communism and a command-economy with an absence of engrained business ethics,	Apressyan, (1997), Barnett, (2005), Ciulla, (1994),

² Much of the reviewed studies have investigated a set of cross-sectional issues as, for instance, a “socio-historical perspective on institutional transition in Russia” or an “ethical climate and employee ethical beliefs” or an “organizational culture and leadership”. Thus, an articles’ separation between the research issues is flexible and some papers have placed in to several sections.

Issue	Main findings	Study
	<ul style="list-style-type: none"> -Drastic socio-economic reforms of the nineteen-nineties (last century), -Clash of the old, “communist” and the new, “market oriented” moral-ethical systems, -Vacuum of normative and practical business experience. 	<p>De George (1964), Dunfee (1994), Filatov (1994), Ivanov (1998), Kuznetsov and Kuznetsova (2005), Neimanis (1997), Petrov (1998), Sidorov et al. (2000), Taylor et al. (1997)</p>
<i>Institutional transition</i>	<ul style="list-style-type: none"> -Imbalanced national economy with a dominance of state-monopolistic and shadow sectors, -Weak formal institutions, especially the law, -Clash of formal and informal institutions (superiority of the last), -Business decisions made on the previous system of values and norms – “learned behavior”, - Institutional system affects an organizational deviance. 	<p>Aidis et al. (2008), Avtonomov (2006), Earle, Spicer, and Peter (2010), May et al. (2000), McCarthy et al. (2000), Peng (2001, 2003), Puffer and McCarthy (2011), Welter and Smallbone (2011), Wheat et al. (2003)</p>
<i>Organizational level</i> <i>Corporate governance</i>	<ul style="list-style-type: none"> -De jure corporate governance is based on principles of agency-theory, -De facto corporate governance reflects traditional institutions and values, -Informal institutions such as nepotism and corruption undermines the effectiveness of corporate governance, -The need for revising the national concept of corporate governance in line with the basic societal norms and traditions. 	<p>Buck (2003), Estrin and Prevezer (2011), McCarthy and Puffer (2002, 2003, 2008), Puffer and McCarthy (2003), Zhuplev and Shein (2005)</p>
<i>Organizational culture</i>	<ul style="list-style-type: none"> -Organizational culture is under the strong influence of national culture and managerial traditions, -The main characteristics are paternalism, informal networks, autocratic leadership, power distance, vertical team work, poor information flow, little value of responsibility, punishment for mistakes etc., -Sub-cultures with different values, especially, the older and younger generations, -Russians and Westerns have different social meanings of management concepts, -Passive or covert resistance to organizational change, -Culture-based approach and local competence facilitate mechanisms of transfer knowledge and organizational change, -Ethical climate: mixed results-“opportunistic climate”/“rules organizational climate”/“caring organizational climate”/“efficiency organizational 	<p>Ardichvili et al. (2012), Alexashin and Blenkinsopp (2005), Ayios (2003) Deshpande et al. (2000a), Elenkov (1998), Engelhard and Nägele (2003), Fey and Shekshnia (2011), Fey and Denison (2003), Fey and Björkman (2001), Jaffe and Tsimerman (2005), May et al. (2005), McCarthy et al. (2010), McCarthy et al. (2008), McCarthy et al. (2005), Michailova and Hutchings (2006),</p>

Issue	Main findings	Study
	climate”, -Insufficient organizational regulations and procedures on ethics.	Michailova (2000, 2002), Robertson et al. (2003), Shekshnia (1994), Sommer et al. (2000), Zavyalova (2009)
<i>Business practices</i>	-In spite of sets of equal ethical beliefs between Russian and Americans, some business practices are interpreted differently for each group, -Agency theory and ISCT perspectives provide different ethical judgments on Russian business practices, -Historical, cultural and institutional factors are important for the passing of ethical judgments in a Russian context.	Puffer and McCarthy (1995), Puffer and McCarthy (1997), McCarthy and Puffer (2008), McCarthy et al. (2012)
<i>Corruption</i>	-The nature of corruption in Russia: aged-old history of corruption, moral lapse, organizational “mimic isomorphism”, economic survival strategy, -Russian value of personal relations is the cause of many involvements in corrupted practices; and it is also a reason for the public justification of corruption.	Beck and Lee (2002), Dininio and Orttung (2005), Doh et al. (2003), Fey and Shekshnia (2011), Fituni (2000), Galeotti (2001), Kurkchian (2000), Ledeneva and Shekshnia (2011), Venard (2009), Volkov (2001), Woolley (1997)
<i>Ethical orientation</i>	-Ethical orientation: mixed results – idealistic/relativistic, -Profit-ethics tradeoff: mixed results, -The situational factor of ethical business decision, -Association of law and ethics: mixed results – positive/negative, -Dissonance between personal idealistic orientations and opportunistic organizational behavior, -Female managers reported to be more ethically sensitive compared to male counterparts, -Cross-cultural comparison: mixed results – value convergence/ divergence or mix-model, -The importance of cultural dimension and types of values for cross-cultural ethical comparison, -Individual ethical beliefs of overseas managers are under a strong influence of the Russian context, -Multilevel interaction between a social context and an individual.	Ahmed et al. (2003), Beekun et al. (2003); Beekun et al. (2005), Bucar et al. (2003), Deshpande, Joseph, and Maximov (2000b), Hisrich et al. (2003), Jaffe and Tsimerman (2005), Meirovich and Reichel (2000), Robertson et al. (2003), Sommer et al. (2000), Spicer et al. (2004), Spicer et al. (2004)
<i>Leadership</i>	-Historic-traditional norm of autocratic leadership, -Transactional leadership has prevailed among managers: the use of power and status, establishing and controlling	Alexashin and Blenkinsopp (2005), Ardichvili (2001a, 2001b),

Issue	Main findings	Study
	<p>an order, favoritism, “contingent rewards method”, etc,</p> <p>-Qualities of transformational leadership have been also revealed,</p> <p>-Both transactional and transformational leadership contribute positively to organizational effectiveness,</p> <p>-New Russian business leaders have adopted global transformational leadership styles,</p> <p>-Convergence of work values of Russian and American managers, especially, the younger generations of Russian managers,</p> <p>-Resistance to leadership style changes,</p> <p>-Lack of business and management knowledge, and development training sessions in companies,</p> <p>-The influence of cultural dimensions on leadership: mixed results – strong/modest influence,</p> <p>-Different models of new national concept of leadership: authoritarian versus authoritative, transformational similar to Western style, “task-oriented democrat”.</p>	<p>Ardichvili and Gasparishvili (2001),</p> <p>Elenkov and Manev (2005),</p> <p>Elenkov (2002),</p> <p>Fey (2008),</p> <p>Fey et al. (2001),</p> <p>Kets de Vries (2000),</p> <p>Kets de Vries et al. (2004),</p> <p>Kets de Vries et al. (2008),</p> <p>Korotov (2008),</p> <p>Kuznetsov et al. (2000),</p> <p>McCarthy et al. (2010),</p> <p>McCarthy et al. (2005),</p> <p>McCarthy et al. (2008),</p> <p>Ralston et al. (2008),</p> <p>Puffer and McCarthy (2011),</p> <p>Puffer et al. (1997)</p>

2.4. Summary

In this review, I have provided an overview of what I consider to be the current state of knowledge in the field of Russian business ethics. Clearly, researchers have made strides towards understanding the Russian business ethics at macro, organizational and individual levels. Yet, there is still much work yet to be done. I suggest that the next generation of research should focus on three main areas: expanding and integrating the various focal points, improving the methodological rigor, and investigating further into neglected areas of study.

2.4.1. Expanding and integrating the various focal points

I encourage scholars to expand upon conceptual perspectives of the analysis, and to search for new innovative approaches that fit into the context of this study. I support the call of Meyer (2006) and Puffer and McCarthy (2007) for more context-specific research in transiting countries like Russia and China. The present review has shown that much of the investigation into Russian business ethics has been founded on overseas concepts. To my mind, the overseas perspective has led to an oversimplification of findings and a negative rating of Russian ethical beliefs. For the most part, this quest for a global measure ultimately conceals as much as it reveals about the ethical understanding of the social actors in Russia. Moreover, application of those rectilinear approaches has not provided specific norms to be used in certain conditions. Puffer and McCarthy (2007) in their research on Russian business have discussed that “many of the variables in that transiting situation appeared to be unique and not currently generalizable” (512). Furthermore, use of the Western approach in the Eastern business context gives rise also the question whether individuals are the locus of ethical decision-making in business in the same way as they are in other contexts. Indeed, the studies have proved that the Russian business environment affects ethical sentiments of foreign managers working in the country (Bailey & Spicer, 2007; Spicer et al., 2004). Therefore, future research needs to revise conceptual perspectives on the analysis of Russian business ethics. The research, which has not been based on this context, lacks relevance and constructs validity. There is a need for alternative approaches that go further than those described in Western dominated literature. That research will contribute to global management knowledge, as well as, indigenous management practices.

I also found that much of the reviewed quantitative studies at the individual level bear a tinge of explanatory power of obtained results. The findings were isolated from the social and the cultural context of individual judgments and behavior. Nevertheless, I believe that the individual ethical judgments and the behavior have been rooted in the organizational and the macro levels in many respects. For instance, a lack of enthusiasm generally shown by Russian managers towards reporting improper or unethical behavior of co-workers is viewed by scholars as indicative of an absence of proper business ethics (Hisrich et al., 2003). Yet, the scholars have neglected that this practice contradicts society norms, particularly, to the value of personal relations. Thus, I suggest that future research would benefit from the integration of socio-cultural and institutional studies

with those on individual and organizational ethics. Besides, research would benefit from the integration of qualitative and quantitative approaches. Such multiple approaches will contribute to deepening the understanding of uncovering intrinsic causes and meanings of ethical judgments in Russia.

2.4.2. Methodological rigor

I also encourage scholars to use research instruments, which are in line with the business context and the experience of the country. This methodological concern refers to possible terminological misunderstanding of overseas questionnaires by respondents of other nations (Michailova & Liuhto, 2001). Managers and employees often lack an appropriate business education, and the managerial traditions and the context are opposite to those which are Western in many respects. Thus, the application of overseas instruments in a Russian study is a concern for western scholars. A lack of management and business ethical knowledge can create situations of misunderstanding or false interpretations of questions. In fact, many western business concepts are new for Russia, for instance, the concepts of an ethical climate, whistle blowing, organizational codes of ethics and many others notions. Therefore, it is essential for the research to use instruments that fits the knowledge and the context of the respondents. Such a sharpened methodology will allow the removal of a potential social desirability bias, and reduce the oversimplification of findings.

Furthermore, I suggest for future research to pay attention to the validity of a sample. It was discovered in the review that the convenient sample, especially the students' sample, has been frequently used in the studies. However, use of the students' sample is a subject of sharp criticism in business ethics research. Students' beliefs are unlikely to be relevant for a specific industry and business functions due to a lack of understanding of the full context of a decision (Donaldson & Dunfee, 1999). Thus, it is doubtful whether the findings obtained from the student responses can be viewed as representative of the business community.

2.4.3. Neglected and new topics in Russian business ethics

As studies on Russian business ethics present a relatively new field of research, there are numerous tempting and uncovered themes waiting to be explored. In reviewing the extant literature, I have identified a number of knowledge gaps at all levels of analysis that hopefully will be filled by future research.

Future research at the macro level. In spite of evident academic interests in the macro analysis of business ethics in Russia, most of those studies had been published between 1990 and 2000. Many changes in business and social life have occurred since then. A lack of actual findings at the macro level complicates analysis at the organizational and individual levels. Thus, I encourage scholars to continue research of cultural, historical and political factors of business ethics in Russia. In the field of institutional studies I believe that research would take advantage of investigating the clash between traditional and new market values. The conceptual analysis of the reasons of the clash and

ways of value conciliation should be useful. It is not unlikely that such conceptual reasoning might bring about a shaping of a unique approach to study business ethics in Russia. That approach should try to integrate traditional social values and the principles of market economy together.

The research would also benefit from the use of a longitudinal approach. As business norms are constituents of the macro environment, it is logical to assume that they have been also undergoing transformation over the last twenty years in Russia. Therefore, I suppose that the reviewed studies have reflected the state of the beliefs and behavior at particular points of time rather than illuminating the national business ethics model which is far from being fully evolved. Thus, the longitudinal approach may facilitate an examination of both trends and the content of business values in Russia. For instance, the traditional practice of offering gifts for preferable treatment has changed since the Soviet era. At that time gifts had been typically made in non-monetary form, whereas, nowadays, they are often cash handouts. Taking into account a small opportunity for researchers to replicate a survey in different points of time, a pragmatic way is to explore value evolution by using a retrospective approach.

Future research at the organizational level. Little research has focused on ethical issues at the organizational level in Russia. As much decision-making occurs within an organization, I encourage researchers to pay attention to primary questions in organizational ethics such as organizational culture, climate and ethical codes. Future research needs to investigate whether and how organizational culture supports the ethical or unethical behavior of individuals and groups. What is the implementation process of new ethical values into an organization in Russia? Does the process meet with employees' resistance? How do companies promote emergence and the spread of new ethical norms within organizations?

Another area deserving of attention is a code of corporate ethics. Codes of corporate ethics have been broadly adopted in Russian companies. Yet, to our knowledge, no examination of this essential and interesting topic has been carried out, meaning that a wide range of issues is still unaddressed. We need to know what the content of the national code of corporate ethics is. Which specific ethical issues are addressed in the code, and why some issues are ignored. Does the code in Russian organizations comply with international standards of corporate ethics? Another vital research question is a process of the code implementation. How is the code introduced into organizational routines and how does it interact with other organizational practices? Understanding of all these issues is extremely helpful for both academia and practitioners. These types of research could inform sustainable initiatives on the corporations' part in Russia.

Future research at the individual level. I believe that one of the most interesting and unknown topics in the field is leadership in Russia. Leadership is an integral part of an organization and the main conductor of ethical and unethical behavior within it. I encourage future research to explore various linkages between leadership, organizational culture, ethics and corporate governance. For instance, it might be valuable for future studies to examine the impact of leadership on organizational ethical values. Research should also reveal whether there are other important factors

of relationships between leadership and ethical culture and climate. Clearly, additional research into the dynamics of leadership and organizational ethics is needed.

3. Theoretical Model and Hypotheses

This section provides a theoretical background of the research, presents research hypothesis, and develops a research model. I discuss, first, the central tenets of the Integrative Social Contracts Theory. I employ then various models of ethical decision-making to discuss a mixture of factors influencing ethical decision in Russia, focusing on its core theoretical and empirical arguments. Further, I formulate research hypothesis. The research hypotheses are presented in a separate section that is not in the line with the traditional approach where hypotheses are introduced along a theoretical discussion. However, the chosen approach allows me to collect all hypotheses together in the line of research logic and a conceptual model. I aim to give the reader an integrative overview on a research scope and to assist his or her comprehension of theoretical constructs. Finally, I summarize the theoretical constructs within a simplified research model. The theoretical constructs and their relationship are pictured. Overall, my purpose is to concisely outline the main principles of the Integrative Social Contracts Theory and various models of ethical decision-making, to assess how they are conceptualized, to provide a basis for establishing links between the key concepts, to formulate hypotheses, and to develop a research model.

3.1. Integrative Social Contracts Theory

The Integrative Social Contracts Theory - (ISCT) (Donaldson & Dunfee, 1994, 1999) is the essential paradigm of contractualist business ethics, suggesting a unique approach for an analysis of the mixed puzzle of ethical principles in the modern world. The approach is recognized as one of the most potential theoretical frameworks in business ethics research (Van Oosterhout & Heugens, 2009). The key idea of the approach is related to the fact that traditions, values and norms among business communities differ greatly. For that reason, a “one-size-fits-all template for business morality is an illusion” (Donaldson & Dunfee, 1999:83). The theory distinguishes “hyper” and “local” ethical norms. The first reflects bona fide human rights and general business principles which must be conformed to by members of any business community. Yet, being only the core principles of business decision, hypernorms cannot serve as guides in every instance. For that reason, there is a vital need for communities to form their own supplementary sets of values and principles of correct behavior — so-called local norms. The local norms are reproducible and changeable in order to promote the most effective business model in a specific environment. Therefore, local norms, reflecting context-specific values, represent a collective opinion which, in turn, constitutes acceptable behavior in a given community. However, the core requirement for local norms is not to be confused with hypernorms. A community, is classified as, “a self-defined, self-circumscribed group of people who interact in the context of shared tasks, values, or goals and who are capable of establishing norms of ethical behavior for themselves” (Donaldson & Dunfee, 1999:39).

In order to be established, local norms have to combine two interconnected components: the aggregate attitudes and the aggregate behavior of community members towards a certain business

practice (see Table 2). The ISCT comprehends individual ethical attitudes in a narrow sense as compared with general individual beliefs, e.g. in regard to good and evil in a general sense. According to the approach, ethical attitudes represent the individual products, reflecting personal values and experience through response to a context specific business environment and its changes. Attitudes are by definition individual views on “what constitute appropriate behavior in a given context” (Donaldson & Dunfee, 1999:86). As the environment changes are time dependent, the corresponding ethical attitudes are changeable too. An aggregate of individual attitudes create community ethical attitudes with relation to various business practices.

It is stressed that ethical attitudes as such do not entirely express local norms since actions may match poorly with stated values. For example, the blatant acts of bribery by corporations such as IKEA, Siemens, and Daimler AG in Russia do not sit well with the image these organizations aim to portray in their native markets (Tanas & Chahova, 2010). A norm can also be incorrectly defined as such when stated attitudes do not mirror corresponding behavior. A number of putative norms are widely known as being only of speculative nature. This is the case, for example, when some community members declare support to the Red Cross or Greenpeace activity in public, but, at the same time do not actually back up any social events or render any financial aid to these or similar initiatives. For this reason, attitudes should be complimented by the corresponding behavior of the community’s members. In turn, ethical attitudes should supplement practical actions. With regard to behavior, ethical attitudes provide moral justification for actions. Therefore, it reduces pressure within a community. This is of special significance in the context of Russia, where the dramatic and sometimes uncontrolled transitions to a market economy have resulted in the emergence of a great range of illegal practices. A good example of the contradiction between attitude and behavior in the Russian context is the practice of an unofficial salary. According to Foundation of Public Opinion in 2009, 16 % of employees in Russia receive either a partial or complete unofficial salary, whereas 50 % of respondents expressed negative attitudes to the very same practice.

Table 2: Requirements for Local Ethical Norm

	No attitudinal Consensus	Attitudinal consensus
Behavioral Consensus	Norm not Established	Local ethical norm
No behavioral Consensus	Norm not Established	Norm not established

Source: adapted from Dunfee (2006:316)

The process of norms evolving and distributing among different communities is diverse; consequently, there is not a single formula that can predict their generation. A community generates contextual and reasonable local norms, which find moral and philosophical justification in the cultural and the socioeconomic environment of their origin. Simultaneously, these local norms are directed towards productive economic relationships. Determining factors of the process include the nature of a community, its goals, the cultural and the socioeconomic environment, individual values, etc. The wide range of such business context specific factors ensures that the same

ingredients are rarely fed into the same norm evolution process. Each community is home to a unique set of norms and factors influencing their development. In the next section, I identify the main factors influencing local ethical norms within the Russian business context.

3.2. Factors Influencing Local Ethical Norms in Russia

Our understanding of how managers think and act when faced with ethical dilemmas has been advanced by a number of theoretical models (Ferrell & Gresham, 1985; Hunt & Vitell, 1986, 2006; Jones, 1991; Rest, 1986; Trevino, 1986). Numerous studies have tested these concepts, including an identification of various moderating factors influencing ethical decision-making³. These moderating factors with some exceptions⁴ can be categorized into three distinct areas: environmental, organizational, and individual.

Following the ISCT presumptions of the socio-economic and cultural effect on local ethical norms, the present research focuses on context-specific moderating factors of norms rather than a process of ethical decision-making. I suppose that environmental, organizational and individual factors establish a context within which an individual shapes personal attitude and behavior in a certain manner. The factors, which are most consistent and appropriate for the Russian business setting, are selected for this study.

3.2.1. Individual Factors

There are many individual factors that can influence individual ethics and behavior. Among those identified by researchers are age, level of moral development, education and work experience, gender, nationality, value orientation, and religion etc.⁵ Yet, it is assumed that *individual beliefs and norms* is one of the prominent ones (Stead, Worrell, & Stead, 1990). “Beliefs may serve as inputs, affecting attitude formation, change and behavioral intention to resolve problems” (Ferrell & Gresham, 1985). Personal ethical beliefs are products of one’s socialization through family, social group, formal education and cultural backgrounds.

In this context, research on ethical orientation of Russian managers has provided mixed assessments: some studies have argued in favor of a relativistic ethical perception among Russians (Ahmed et al., 2003; Jaffe & Tsimmerman, 2005; Robertson et al., 2003), whereas others have revealed an idealistic course of ethics (Sommer et al., 2000). The findings on the profit and ethics

³ See reviews of Loe, T. W., Ferrell, L., & Mansfield, P. 2000. A review of empirical studies assessing ethical decision making in business. *Journal of Business Ethics*, 25(3): 185-204. and O’Fallon, M. J. & Butterfield, K. D. 2005. A review of the empirical ethical decision-making literature: 1996–2003. *Journal of Business Ethics*, 59(4): 375-413.

⁴ Rest discussed “awareness of ethical dilemma” among the main factors of ethical decisions Rest, J. R. 1986. *Moral Development: Advances in Research and Theory*: Praeger.; Jones proposed to take into account “moral intensity” of an action while passing ethical judgment Jones, T. M. 1991. Ethical Decision Making by Individuals in Organizations: An Issue-Contingent Model. *Academy of Management Review*, 16(2): 366-395.

⁵ See review of O’Fallon, M. J. & Butterfield, K. D. 2005. A review of the empirical ethical decision-making literature: 1996–2003. *Journal of Business Ethics*, 59(4): 375-413.

tradeoff are also mixed, with some studies showing positive inclination (Deshpande et al., 2000a; Jaffe & Tsimmerman, 2005) others demonstrate a lower scope of willingness to the profit/ethics tradeoff by Russians (Robertson et al., 2003). Meanwhile, a good number of studies have argued for situational factors of ethical business decisions among Russians (Beekun et al., 2003; Beekun et al., 2005; Robertson et al., 2003; Sommer et al., 2000), that might have been caused by the confused business and organizational environment.

Depending on individual variables (ego strength, field dependence, locus of control), managers facing an ethical dilemma are either consistent with their *own system of convictions and beliefs* or rely on *external referents* (Trevino, 1986). “When individual action is required, strong decision makers will be confident in following their judgment” (McDevitt, Giapponi, & Tromley, 2007:220). A theory of reasoned behavior (Ajzen & Fishbein, 1980) has supported this assumption that individual attitude towards behavior is influenced by two types of personal beliefs: those towards actions and those where important referents expect a certain behavior.

As to the Russian context, scholars have highlighted that social contacts, interpersonal relationships and friendships greatly affect personal and business life in the country (Ayios, 2003; Fey & Denison, 2003; Michailova, 2000, 2002; Shekshnia, 1994). Consequently, one has to take into account social obligations to and expectations from members of his or her community when making ethical decisions. The study of Beck and Lee (2002) has found that the Russian police students and the officers, among justifications for using their position at work for own ends, stated more frequently reasons as “only very close family and friends are involved” and “money isn’t involved”.

Therefore, two of the individual factors are incorporated into a research model of the dissertation: a personal system of convictions, values and beliefs, and an important referents’ system of convictions, values and beliefs.

3.2.2. Organizational Factors

It is assumed that ethical choice is not only based on an individual decision, but rather is determined by a social context and is influenced heavily by situational variables (Loe et al., 2000). “Work organizations provide the social context within which behavior takes place” (Trevino, 1986:614).

Organizational goals are explicit targets that a company accomplishes to achieve its mission and objectives. When an acceptable rate of return, sales volume or deadlines are the prevailing goals, being ethical will be the sub-goal only insofar that it does not threaten the main goals (Bommer et al., 1987). Organizational success requires often managers to compromise their ethical values in the interests of an organization and themselves, since such actions are positively related to managerial success.

In a turbulent business environment such as that which exists in Russia the key goal of a firm, especially one which is medium or small-scale, is survival (Jasin & Shestoporov, 2010). Competence sustainability is achieved by applying enormous “grey “or even illegal practices. Russian managers have reported a willingness to sacrifice their personal ethics for a business goal

(Bucar et al., 2003; Hisrich et al., 2003). The reverse side of this is that Russian employees seem to be weak followers of a firms' goals and mission (Fey & Denison, 2003), and that they stress self-interest over companies' efficiency (Sommer et al., 2000).

CEOs and senior managers set an example of behavior within an organization (Bommer et al., 1987); thus they label in many respects whether a business (organizational) practice is acceptable or not. Scholars have argued that *executive leadership* can influence others to behave ethically or unethically (Ferrell & Gresham, 1985; Trevino, 1986). To be an ethical behavioral model for employees, managers' attitudes have to be consistent with their exhibited behavior (Stead et al., 1990).

Russia has a century-long tradition of authoritative leaders such as Ivan the Terrible, Peter the Great, Stalin and Putin. Overall, Russian managers, being personally responsible for a whole range of business issues, possess superior power and unique rights within companies (Fey & Shekshnia, 2011). Therefore, they expect to be implicitly obeyed by their employees. On the other hand, Russians frequently prefer to be directed by a boss and expect from managers excellent organizational and performance qualities (Engelhard & Nägele, 2003). Nowadays, Russian managers can be divided into two sub-groups with different leadership styles (Kets de Vries, 2000). The first group consists of those managers with experience from the soviet time; thus, they employ a traditional controlling and autocratic leadership style, and possess superior power and unique rights within companies (Fey & Shekshnia, 2011). By contrast, the younger managers, shaping the second group, have rapidly mastered an open and democratic style with flexible delegation and independence in making decisions (McCarthy et al., 2010).

Another critical element of ethical infrastructure in an organization that motivates employees' behavior is *a system of rewards and sanctions* (Trevino, 1986). That set of rules and regulations should support ethical behavior and punish any that are regarded as unethical (Sims, 1994). A chance to be engaged in unethical practices is shaped by a favorable set of conditions, including rewarding unethical behavior and holding back on punishment. It is shown that an opportunity for unethical behavior can predict this better than individual and peer beliefs (Ferrell & Gresham, 1985).

With respect to Russia, indigenous MBA students have indicated that expected punishments and rewards have had a significant effect on their ethical decisions (Jaffe & Tsimerman, 2005). However, the research on organizational culture has pointed out insufficient formal ethical procedures and regulations in Russian firms (Deshpande et al., 2000a; Robertson et al., 2003). There is a lack of stimulus for ethical practices to flourish within companies there (Ardichvili et al., 2012).

Therefore, I have defined three organizational factors to be included into a research model: business goals of organization, norms and practices of executive leadership, and systems of reward and sanctions within an organization.

3.2.3. Environmental Factors

Some external factors exist outside of an organization. A political and an economic setting, laws, and cultural-social norms define general rules of the game for business (North, 1990). Consequently, they influence managers facing ethical decisions (Bommer et al., 1987; Ferrell & Gresham, 1985).

The Economic environment is a powerful macro determinate of business activity. Volatile economic conditions, strategic uncertainty, and imbalances between economic agents may undermine ethical behavior within a community (Ferrell, Gresham, & Fraedrich, 1989; Stead et al., 1990). Pressures of time, scarce resources, and competition stress ethical decision-making negatively (Trevino, 1986). Overall, in this setting, managers are forced to use situational ethics and to engage in unethical practices (Robertson & Rymon, 2001).

Referring to Russia, the economic environment has undergone the transition from a command economy to one that is market-oriented over the two last decades. This has resulted in the unique economic model combining the dominant state-monopolistic sector and the submissive private small-and-middle-scale business. In addition, this model carries the risk of a huge shadow economy (Avtonomov, 2006). As a result, the economy begins to display a number of undesirable characteristics. Uncertainty and instability (May et al., 2000; Peng, 2001, 2003), inequality of business possibilities for different economic agents (Sidorov et al., 2000), nepotism, corruption and widespread illegal practices (Ledeneva, 1998), and finally bureaucracy have all become prominent features of the national economy. This distorted economic model is one of the key sources of unethical business behavior in the country and the key obstacle to successful integration of the Russian economy with the world market.

Another core dimension of the environmental factor is the *legal regulations and norms*. Even though the terms “legal” and “ethical” are not synonyms, the “legal dimension is an important determinant in many ethical decisions” (Bommer et al., 1987:269). The legal consequences of breaking the law, as well as, the social stigma associated with the label “illegal” force managers to take into consideration the law when making ethical decisions. Yet, an effect of the legal factor depends on the proper enforcement of the law and probability of detection (Sims, 1994).

Referring to Russia, although, the national legal system has been completely modified, the effectiveness of the law is low (Peng, 2001). This was further exemplified by Konovalov (2011) who commented upon the law, summarizing the system as one that was lacking an appropriate speed to respond to the issues it had to deal with while being based on a certain degree of subjectivity and showing signs of instability. Thus, the population and the business community often simply ignore or evade arbitrary and senseless law regulations (Puffer & McCarthy, 1997). For instance, managers perceive tax evasion practices as ethical because of extremely high levels of tax pressure beyond their means, whereas illegal activity towards a business partner was estimated as unethical (Meirovich & Reichel, 2000).

Finally, *cultural-social norms*, reflecting shared beliefs and standards of a society, is another external environmental factor of ethical decisions (Bommer et al., 1987; Ferrell et al., 1989). These norms define in many ways what constitute ethical and unethical behavior in a community (McDevitt et al., 2007). Scholars have argued that different social values result in different business practices and decisions across the world (Donaldson & Dunfee, 1999). However, in order to serve as direct ethical guides in a specific business situation, cultural-social norms should be incorporated into the work environment (Bommer et al., 1987; Ferrell et al., 1989).

For Russia, scholars have argued that informal institutions such as cultural-social norms have a superior function over those legal and economic for the businesses in many respects (Puffer & McCarthy, 2011). The business agents have relied on the traditional attitudes and the values in business decision-making, which reflect the past with its noticeable traces of the Soviet era (Welter & Smallbone, 2011). Considering traditional values and experience, it stresses a century-long disrespect towards business activity and profit seeking, seventy years of command economy together with ruined employees' motivation, and an absence of ethical values for economical activities. The transition of the last twenty-five years has not significantly changed the values' state. Moreover, the transition has added such negative standards as the values of quick money and brute force.

Therefore, I have defined three types of the environmental factors for the purpose of a research model: economic environment of business operations, legal regulations and norms, and cultural-social norms.

3.3. Research Hypotheses

Following the ISCT concept of local ethical norms (see Table 1), the study examines a set of business practices whether these express the local ethical norms within the Russian business community. In order to be established, the local norms have to combine two interconnected components: the aggregate attitudes and the aggregate behavior of the Russian managers towards certain business practices (Donaldson & Dunfee, 1999:39). Given that, a relationship between ethical attitudes and intended behavior is predicted.

Hypothesis 1: There is an association between ethical attitudes and intended behavior.

Furthermore, the study seeks to test the degree of the influence of the individual, the organizational and environmental factors on the local ethical norms. According to the ISCT presumptions of the socio-economic and the cultural effect on the local ethical norms, the present research focuses on the context-specific moderating factors of the norms rather than a process of ethical decision-making. I suppose that the individual, the organizational and the environmental factors establish a context within which the Russian managers shape a certain manner that constitutes their personal attitude and behavior. Accordingly, the influences of the individual, the organizational and the environmental factors have on ethical attitudes and intended behavior are predicted.

Hypothesis 2: Individual, organizational and environmental factors influence ethical attitudes.

Hypothesis 3: Individual, organizational and environmental factors influence intended behavior.

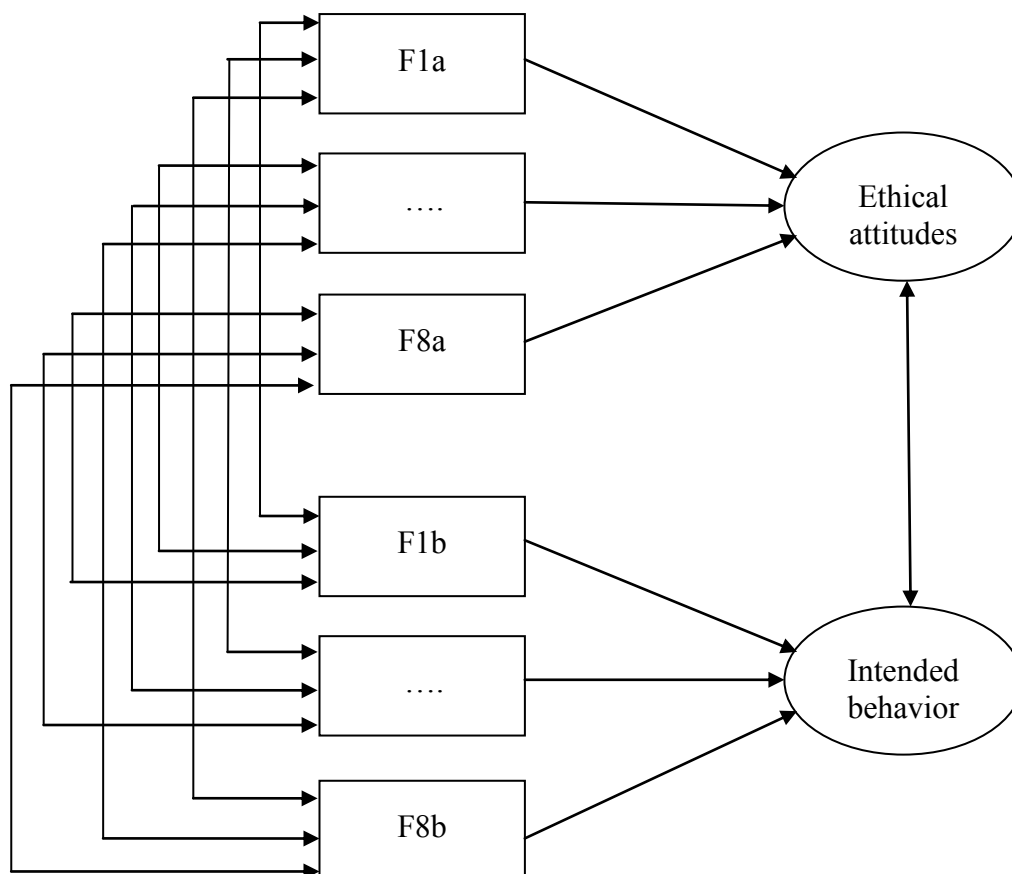
Finally, I suppose that the environmental, the organizational and the individual factors influence the ethical attitude and the intended behavior of the Russian managers in a certain interrelated manner. In other words, the factors influencing the ethical attitudes are interconnected with the factors influencing the intended behavior of the managers. Along with an agreement between the attitudes and the behavior, the factors should express a positive consent too. This approach allows me to perform the analysis from the separate components of ethical norms: ethical attitudes and intended behavior, to local ethical norms and common factors influencing the norms. Given that, a relationship between the factors influencing the ethical attitudes and the factors influencing the intended behavior is predicted.

Hypothesis 4: There is an association between factors influencing ethical attitudes and factors influencing intended behavior.

3.4. Theoretical integration: research model

Figure 3 summarizes the above theoretical constructs within a simplified research model. The theoretical constructs and their relationship are illustrated.

Figure 3: Research model of this dissertation



where

Dependent variables:

ethical attitudes,
intended behavior.

Independent variables:

F1a - personal system of convictions, values, and beliefs;
F2a - important referents' convictions, values, and beliefs;
F3a - business goal of an organization;
F4a - norms and practices of executive leadership;
F5a - system of reward and sanctions within an organization;
F6a - economic environment for running a business;
F7a - legal regulations and norms;
F8a - cultural-social norms;

F1b - personal system of convictions, values, and beliefs;
F2b - important referents' convictions, values, and beliefs;
F3b - business goal of an organization;
F4b - norms and practices of executive leadership;
F5b - system of reward and sanctions within an organization;
F6b - economic environment of business operations;
F7b - legal regulations and norms;
F8b - cultural-social norms;

The present model incorporates two dependent variables: ethical attitudes and intended behavior and sixteen independent variables: eight factors influencing ethical attitudes and eight factors influencing behavior. As illustrated, the focal construct is the ethical attitudes, the intended behavior and the relationships between them. Further, ethical attitudes are a linear function of variables F1a-F8a. Correspondently, intended behavior is a linear function of variables F1b-F8b. The predicted direct effects of the independent variables are indicated. Finally, the model proposes the relationship between factors influencing ethical attitudes and factors influencing intended behavior.

4. Research Methodology

The overall objective of this dissertation is to examine whether the business practices commonly used in Russia express the local ethical norms and which factors influence their nature. To achieve this objective, this dissertation seeks to test the following hypothesized relationships: first, the relationship between ethical attitudes and intended behavior; second, the relationship between the individual, the organizational, and the environmental factors and ethical attitudes and intended behavior; third, the relationship between the factors influencing ethical attitudes and the factors influencing intended behavior. Reflecting on my research questions: what relationship there is

between ethical attitudes and intended behavior, and how factors influence ethical attitudes and intended behavior, a quantitative approach seems to better address these than a qualitative one. The main reason for a quantitative technique is due to the investigation into the relationship of pairs of variables. In addition, following Wacker (1998), the present dissertation should be considered as a piece of empirical statistical research because it was to test empirically the hypothesized relationships between the variables, as well as, the relationships between the predictors and the outcomes.

The following sections outline a manner in which the study was conducted. The key components are research design, sample criteria and sample characteristics, data collecting procedure, study instrument, validity and reliability of the study instrument. Then the method and an overall sequence of data analysis will be discussed in detail. Finally, ethical considerations are also highlighted.

4.1. Research design

In order to answer the research questions, the present study involves a collection and analysis of quantitative data via a survey. The purpose of the survey is to determine the relationship between the ethical attitudes and the intended behavior with regards to a set of business practices commonly used in Russia. Furthermore, I intend to measure the degree of the influence of an individual, the organizational and the environmental factors on the ethical attitudes and the intended behavior.

The survey was cross-sectional, with data collected at one point in time; the survey form was a self-administrated questionnaire. As experience of previous research showed, a survey is one of the most common methods in the research on Russian business ethics (Bailey & Spicer, 2007; Beekun et al., 2003; Bucar et al., 2003; Deshpande et al., 2000a; Robertson et al., 2003; Sommer et al., 2000; Spicer et al., 2004). Moreover, a survey design is suggested as the most appropriate approach to identifying attitudinal and behavioral components of local norms within the Integrative Social Contracts Theory framework (Donaldson & Dunfee, 1995).

4.2. Sample and Procedure

The sample of the study consisted of the managers of Russian companies operating in Russia. The survey was conducted at the International Exhibition for Equipment, Instrument and Tolls for the Metal-Working Industry that took place in Moscow on May 27-31, 2013. I administrated the questionnaires and collected the data personally among the participants of the exhibition. The researcher obtained a letter of introduction from the Dean, School of Humanities and Social Sciences, the University of St. Gallen to conduct survey at the exhibition (Appendix A). Permission to carry out the research was obtained from chief project manager of the exhibition in Moscow.

The survey was prepared in Russian.⁶ 132 surveys were distributed and 106 managers responded to the survey. This gives a response rate of 80 percent. The sample size of 106 respondents is consistent with the previous studies on Russian business ethics: for instance, Sommer et al.'s (2000) sample size was 194, Deshpande et al. (2000a) 136 and Jaffe and Tsimmerman (2005) 100. As the experience of the previous research shows, the managers and the entrepreneurs from the Russian companies, which are associated with government institutions and business associations, tend to provide extremely high response rates. For example, Deshpande et al. (2000a) 68 percent; Jaffe and Tsimmerman (2005) the rate stands at 91 percent; Robertson et al. (2003) 62 percent. Thus, the response rate of 80 percent should be considered acceptable according to the studies cited above. The convenience sampling technique was employed for this research in order to select respondents.

An average subject was between 31-40 years old with a graduate degree working for a small or medium firm as a middle manager who had about 5 years of work experience in his/her current company, which was located in the Central Region of Russia. The sample's characteristics are shown in Table 3.

Table 3: Sample characteristics

Demographic variables	% of Total	
Sample	Respondents	106 (individuals)
Gender	Male	73.6
	Female	25.5
	No answer	0.9
Age	21 - 30 years	28.3
	31 - 40 years	39.6
	41 - 50 years	16.0
	upper 51	15.1
	No answer	0.9
Education	College	3.8
	Unfinished education	higher 2.8
	Graduate	92.5
	No answer	0.9
Work experience	5 years or below	42.5
	6 - 10 years	35.8
	11 years and upper	19.8
	No answer	1.9
Position in a company	Upper management	33.0
	Middle management	47.2
	Non-management	18.9
	No answer	0.9
Company size	1 - 15 employees	30.2
	16 - 100 employees	29.2

⁶ See section 4.3 for the detailed discussion how the survey instrument was formed.

Demographic variables		% of Total
	101 - 250 employees	13.2
	251 + employees	22.6
	No answer	4.7
Location of a company	Central region	53.8
	Non-Central region	45.3
	No answer	0.9
Foreign shareholders in a company	“Yes”	15.1
	“No”	81.1
	No answer	3.8
State or municipalities shareholders in a company	“Yes”	10.4
	“No”	85.8
	No answer	3.8

4.3. Study Instrument

The survey consisted of five ethical scenarios, reflecting certain business practices which respondents were asked to evaluate.⁷ The ideas of the scenarios were drawn from the literature on Russian business ethics. All the scenarios were designed to reflect the examples of the behavior that are relevant to the business context in Russia.

Scenario 1 is based on McCarthy et al. (2012) who claim that the norm of using a favor to accomplish a business goal is frequently acceptable among Russian managers. Scholars have stressed that the tradition of reciprocal favors or so-called “blat” in Russia has a century-long history (Ledeneva, 1998) and, because of this, Russians have been involved in doubtful activities in many instances (Beck & Lee, 2002). Furthermore, taking into account the weak formal institutions and the historical-cultural peculiarities of doing business in the country, scholars were suggested to consider the practice of favors as ethical (McCarthy et al., 2012). This scenario describes a manager making contact with a good friend/member of the tender selection team in order to discuss personally the procurement exercise, the other competitors' bids, and to ask him to do a favor by supporting his company's bid.

Scenario 2 is based on the principle of confidential information and non-disclosure obligations. This standard is invoked by many western companies operating in Russia (for instance, see Employee Ethics & Business Conduct Principles of CH2M HILL Company) However, being a customary practice in the western world, this standard is new for Russian businesses and organizations. That is why many managers and the employees are not aware of and not trained for complying with this standard. This scenario involves a manager being asked by his supervisor to share confidential information about his previous employer.

⁷ The initial instrument consisted of seven scenarios but two scenarios were removed from the final instrument as respondents had reported that the survey took too much time to fill in.

Scenario 3 reflects, perhaps, one of the most common “grey” practices in Russia - unofficial wages as cash. According to Federal State Statistics Service, 19 percent of employees in Russia received a partial or complete unofficial salary in 2013, while a public opinion poll of “Business Russia” reported 40 percent (Averin, 2013). This practice is commonly used everywhere in wholesale and retail trade, building construction and the processing industry. The wide distribution of the practice in the business community is caused by a high tax load (sometimes beyond one’s means); more profitable conditions as compared to an official salary, and a weak state pension insurance. This scenario involves a director of a middle-scale firm who has decided to pay employees’ partially unofficial wages in cash.

Scenario 4 is based on Hisrich et al. (2003) who claims that a norm of reporting to company management about the improper or unethical behavior of co-workers finds little support among Russian managers. Western companies promote actively this norm in their Russian branches as an organizational standard. However, complying with standards often meets with resistance on the part of Russian staff. The main reason is that such action is viewed as rather immoral according to traditional values (Sidorov et al., 2000). This scenario describes an employee who has preferred to save a good relationship with a colleague than to report the colleague’s practice of costs manipulation in expense reports.

Scenario 5 is based on Puffer and McCarthy's (1997) claim that Russians have a century-long tradition of law and rules evasion since the latter are regarded as nonsensical in many instances. This was something that Konovalov also felt true when he draws attention to some of the legal system’s more apparent failings (2011). Thus, the population and the business often simply ignore or evade arbitrary and senseless law regulations (Puffer & McCarthy, 1997). This scenario involves a CEO who has signed a lease contract instead of a contract of purchase and sales in order to cover up an actual purchase of equipment and, hence, to gain a considerable reduction in tax.

In order to determine clarity and readability of the original questionnaire written in Russian, the supervisor and three experts from business ethics and sociology areas who are native Russian speakers reviewed the questionnaire items. Survey instructions stressed that participation in this survey was voluntary and confidential. It was also noted that this survey was undertaken for the purpose of writing of a doctoral dissertation at the University of St. Gallen and the results will be used exclusively for academic purposes.

A respondent first was asked to evaluate an ethicality of a manager’s behavior, providing his or her ethical attitude. The respondent was then asked to assess the influence of the individual, the organizational and the environmental factors on his or her ethical attitude. Afterwards, the respondent was asked to assess the likelihood that he or she would behave in a similar manner as a manager from a scenario, providing his or her intended behavior. Lastly the respondent was asked to assess the influence of the individual, the organizational and the environmental factors on the intended behavior.

Ethical attitudes were evaluated by determining the respondents' opinions via a four-point scale that ranges from 4 "agree", 3 "rather agree", 2 "rather disagree", and 1 "disagree", adopted from a study of Leonard and Paul Cronan (2005). The influences of the individual, the organizational and the environmental factors were evaluated via a four-point scale that ranges from 4 "strong influence", 3 "moderate influence", 2 "little influence", and 1 "no influence", adopted from a study by Leonard and Paul Cronan (2005). Therefore, the ethical attitudes and the factors influencing the attitudes were ordinal variables.

Intended behavior was evaluated by indirect measurement. In this case, a respondent was asked to rate how likely he or she would be engage in the described practices if he or she was a manager of a firm. The assessments of intended behavior were elicited via a four-point scale that ranges from 4 "likely", 3 "rather likely", 2 "rather unlikely", and 1 "unlikely". This approach of intended behavior evaluation is adopted from a study on the influence of the Russian context on the ethical decisions of the Americans working in Russia by Spicer et al. (2004). The influences of the individual, the organizational and the environmental factors were evaluated via a four-point scale across the following range: 4 "strong influence", 3 "moderate influence", 2 "little influence", and 1 "no influence" (Leonard & Paul Cronan, 2005). Therefore, the intended behavior and the factors influencing behavior were ordinal variables.

The questionnaires in English and Russian languages are presented in Appendix B and Appendix C. Cover letter to questionnaire in Russian language is presented in Appendix D.

4.4. Control Variables

A variety of control variables were included in the survey. These variables can be grouped into firm-level and individual-level factors. To control firm-level effects, I included the categorical measures of firm size, location of a company, foreign and state/municipalities shareholders. Firm size was measured based on a number of employees and was grouped in the following four categories from 1 (1-15), 2 (16-100), 3 (101-250), and 4 (251 and more). Location was measured according to eight federal regions in Russia (Central, Volga, Southern, Urals, Siberian, Northwestern, Far Eastern and North Caucasian). The presence of foreign and state/municipalities shareholders in a company was coded as "yes" = 1 and "no" = 2 separately.

Several individual-level factors were included: gender, educational level, age, work experience in a company, and position within a company. Age was a categorical variable where ages were grouped into 10-year intervals from 1 (21-30) through 4 (51 years and older). Respondents were asked to indicate their highest level of education based on the following possible values: college graduate, unfinished higher education, and graduate degree. Work experience was a categorical variable where experiences were grouped into the following three categories from 1 (5 years and below), 2 (6-10 years), and 3 (11 years and more). The position within the company's hierarchy was measured by asking respondents to indicate whether their position was senior executive, middle management, or non-management.

4.5. Validity of Research Instrument

Validity means to which degree an instrument is able to accurately measure the study's objects, particularly, designed questions should truly reflect what a researcher really wants to study (Litwin, 1995). Content and construct validity are usually determined by expert judgments. That is why the questionnaire and the evaluation scales of the research instrument were pretested to check whether the ethical scenarios, the questions and the rules of the questionnaire were clear and reflected the study's purpose. Validity of the questionnaire was obtained by presenting it to two experts from the field of Russian business ethics and one expert from sociology. All experts are native Russian speakers, teaching and researching at the department of ethics in the Moscow State University and at the department of sociology in the Saint-Petersburg State University of Engineering and Economics. According to their recommendations one of factors were removed as it overlapped with another.

In addition, the content validity of the instrument was proved by respondents during a pretest stage. The pretest included two stages. In the first stage the instrument was distributed among 26 managers. A convenience sampling technique was used. Then, the instrument was adjusted based on the respondents' feedback and the assessments. The initial instrument consisted of seven scenarios but two scenarios were removed from the final instrument because the respondents reported that the survey took too much time to fill in. In the second stage of the pretest the final version of the instrument was distributed among 10 managers. A convenience sampling technique was used. The size of the pretest sample is consistent with previous research of Akaah and Riordan (1990), using a similar instrument.

4.6. Reliability of Research Instrument

Reliability means stability and consistency of questionnaire results over time using the same method on the same object (Litwin, 1995). A popular method to testing reliability is the calculating of test-retest reliability, which was used for the purpose of the present research. Litwin (1995) suggested stability of scores between two weeks and two months are usually viewed as sufficient evidence of test-retest reliability. Therefore, I pre-tested and retested the instrument on a small sample of 10 respondents over an interval of two weeks. Spearman's correlations coefficient (r value) was calculated between two data sets for each 18 variables per scenario. As shown in Table 4 the scores were stable over the interval of two weeks and average r for each scenario is > 0.7 as recommended by Litwin (1995).

Table 4: Results of Test-Retest Reliability

Instrument	Spearman's correlations coefficient (r value)
Scenario 1	0.80 (0.64-1)
Scenario 2	0.77 (0.65- 0.95)

Scenario 3	0.78 (0.64-1)
Scenario 4	0.81 (0.66-1)
Scenario 5	0.82 (0.62 -1)

Taking into account that the constructs of the instrument are not heterogeneous, each scenario consists of 18 single-item constructs that are not directly related to a single domain. Internal consistency reliability, Cronbach's alpha, was not calculated. Although single-item measures are sometimes discussed to have insufficient reliability, a study by Wanous, Reichers, and Hudy (1997) argued that if a construct is focused and specific, a single-item measure should be adequate. A single-item measure was successfully used, for instance, for a study by Spicer et al. (2004) evaluating the intended behavior of the Russian and American managers.

4.7. Method and Data Analysis Procedures

Taking into account the research hypotheses and the ordinal and categorical nature of the dependent, independent and control variables, a set of statistical methods were employed for the purpose of the present research: cross tabulation table, Pearson's chi-square test, Cochran-Mantel-Haenszel test, binary logistic regression and Kendall τ -b test.

Cross tabulation tables, or contingency tables, are one of the more common methods to examine the relationship between two or more nominal or ordinal variables that have a small number of categories (Acton, Miller, Maltby, Fullerton, & Campling, 2009). Displaying distribution in form of a cross tabulation table provides a researcher a basic picture to how variables are interrelated with each other. In order to establish a statistically significant association between two variables presented in cross tabulation table, Pearson's Chi-square test of independence (χ^2) should be conducted. When the variables are not associated they are said to be statistically independent. The test is based on the idea of comparing of frequencies of observed categories and expected ones. The greater the overall differences, the larger the value of χ^2 that assures a real association between the variables (Acton et al., 2009). This test cannot specify the strength and direction of an association. To find this out different measures of association should be done taking into account sample size and degrees of freedom. In the present study, taking into account the nominal nature of the variables of the ethical attitudes and the intended behavior, the following related measures were conducted:

- Cramer's statistic (Cramer's V) with an absolute value range from 0 and 1, with 0 representing no association and 1 a perfect association,
- Goodman's and Kruskal's lambda (λ) with absolute value range from 0 and 1, with 0 representing no association and 1 a perfect association.

Generally two assumptions should be met to carry χ^2 : first, each observation is independent of all the others (i.e., one observation per subject); and, second, no more than 20% of the expected counts are less than 5 (Acton et al., 2009). Both assumptions were met in the analysis of the data in this dissertation.

The examination of an association between two variables could be advanced by testing conditional independence when a third (control) variable is included into the analysis. One appropriate statistical technique to test this relationship is the Cochran-Mantel-Haenszel method. The method is especially useful for the analysis of two dichotomous variables while controlling for a third categorical variable (Elliott & Woodward, 2015). This is the case in the present study. The purpose of the test is to determine whether there is a relationship between the two variables, adjusting for levels of the third variable.

The next method used in this research is binary logistic regression. In general, binary logistic regression can be considered as a version of normal least squares regression with the assumption that a dependent variable is nominal of two categories (Acton et al., 2009). The binary nature of the dependent variable reflects the presence or absence of a category or a characteristic. For instance, whether a manager will be successful in a company or not, whether a manager is prone to engage in deviant behavior or not, and so on. In logistic regression, one predicts *the probability of the occurring* of dependent variable $Y=1$ (or equivalently $Y=$ ”success”) given a known value of a set of predictor variables X_1, \dots, X_k , while in linear regression one predicts a value of Y from a given value of set of predictor variables. Below is the equation for the logistic regression model.

Equation 1. The equation of logistic regression

$$\frac{1}{1 + e^{-(b_0 + \sum_{i=1}^k b_i X_i)}}$$

where

$P(Y)$ is the probability of the occurring of $Y=1$,

e is the base of natural logarithms,

b_0 is the intercept,

X_1, \dots, X_k are k predictor variables,

b_1, \dots, b_k are standardized coefficients of the corresponding predictors.

Logistic regression has a strong advantage for the prediction of a dichotomous outcome over other alternative statistical methods such as ordinary least squares regression and discriminant function analysis. Compared to these methods, logistic regression has no strict statistical assumptions, i.e., linearity, normality, and continuity for ordinary regression, and multivariate normality with equal variance and covariance for discriminant analysis (Peng, Lee, & Ingersoll, 2002). However, logistic regression has a binominal assumption that means that the same probability is maintained across a range of predictor values (Peng et al., 2002). In order to meet this assumption, a sample should be random, i.e., observations are independent from each other. The sample used in this research is random and does not have inherent dependence among the observations. Moreover, I conducted the *standardized* version of binary logistic regression model which allows further analysis in comparing *the strength of influence* of the predictor variables: the magnitude of the resulting estimated standardized coefficients that are significant indicate the level of influence of the corresponding predictors.

In the present study, the following inferential and the descriptive statistical tests were conducted for the evaluation of a logistic regression model:

- The likelihood ratio test is carried out to evaluate two models (for instance, an initial model only with intercept and a model with intercept and predictor variables), and to compare their fit. The result of the test is distributed χ^2 , with degrees of freedom equal to the number of parameters included into a model.
- Wald χ^2 statistics used for testing significance of individual regression coefficients (i.e., β 's). The test indicates whether predictors and intercept should be included into a model ($p < 0.05$).
- Cox & Snell R-squared and Nagelkerke R-squared are performed to assess a fit of a logistic model against actual outcomes. Cox & Snell Rsquared has a maximum value smaller than 1. Nagelkerke Rsquared adjusts Cox & Snell R-squared so that the range of possible values extends to 1. Nagelkerke R-squared equals 1 if a full model perfectly predicts an outcome.
- The Akaike information criterion (AIC) is a measure of goodness-of-fit of statistical models for a given set of data. The smaller the value, the better.

Another method used in this research is the Kendall τ -b test. The test is a suitable measure to estimate correlation coefficients between ordinal variables based on the ranks of the data. The purpose of Kendall's τ -b is to examine the possible associations on the given variables. The values of Tau-b range from -1 (100% negative association, or perfect inversion) to $+1$ (100% positive association, or perfect agreement). A value of zero indicates the absence of association.

The overview of a sequence of the data analysis is illustrated in Table 5. The statistical procedures and the analyses were performed in SPSS version 21 and statistical computing environment R (R Core Team 2015). Step 1 of the analysis studied whether the ethical attitudes and the intended behavior are associated. Hypothesis 1 predicted that there is a relationship between the ethical attitudes and the intended behavior. To test Hypothesis 1, I performed Pearson's χ^2 for each scenario. For this purpose, the variables of ethical attitude and intended behavior were recorded into dichotomous outcomes: whether a respondent expresses agreement with and whether a respondent is likely to behave as in the described practice of a scenario. Accordingly, code 1 was given to agreement with a practice and likely behavior, while code 0 was given to non-agreement with a practice and unlikely behavior. I continued analysis of the first step to examine whether the relation between attitudes and behavior was moderated by the demographic variables using the Cochran-Mantel-Haenszel method.

Step 2 of the analysis studied whether the individual, the organizational and the environmental factors influence the ethical attitudes and the intended behavior. Hypothesis 2 and Hypothesis 3 predicted that there is a relationship between the individual, the organizational and the environmental factors and the ethical attitudes and the intended behavior, respectively. To test these two hypotheses, I performed standardized binary logistic regression for each scenario for attitude and behavior separately. For this purpose, the variables of ethical attitude and intended behavior

were recorded into dichotomous outcomes: whether a respondent expresses agreement with and whether a respondent likely behaves as in a described practice of a scenario. Accordingly, code 1 was given to agreement with a practice and likely behavior, while code 0 was given to non-agreement with a practice and unlikely behavior. The control variables were included in the models. Finally, step 3 of the analysis studied whether the factors influencing attitudes and behavior according to the results of step 2 are associated. Hypothesis 4 predicts that there is a relationship between the factors influencing ethical attitudes and the factors influencing intended behavior. To test this hypothesis, the Kendall τ -b test was performed for each scenario.

Table 5: Sequence of Data Analysis

Sequence of Data Analysis	Purpose	Statistical Method
Step 1	Hypothesis 1: association between ethical attitudes and intended behavior. Analysis of control variables.	Crosstabulation table Pearson's χ^2 test Cramer's V Cochran-Mantel-Haenszel test
Step 2	Hypothesis 2 and Hypothesis 3: relationship between the individual, the organizational and the environmental factors and ethical attitudes and intended behavior.	Binary logistic regression
Step 3	Hypothesis 4: association between the factors influencing ethical attitudes and the factors influencing intended behavior.	Kendall τ -b test

4.8. Ethical Consideration

The researcher obtained a letter of introduction from the Dean, School of Humanities and Social Sciences, the University of St. Gallen to conduct survey at the exhibition. Additionally, permission to carry out the survey was obtained from the chief project manager of the exhibition in Moscow.

The researcher used a cover letter to introduce to respondents the content and purpose of the survey so that they could make an informed judgment about whether they wished to participate (see Appendix B and Appendix C). The respondents were also assured that the study was strictly academic and that utmost confidentiality would be observed. The respondents were asked only to provide their initials for accounting purposes. The data used in this research was anonymously coded and cannot therefore be traced back to individual respondents.

5. Results

This chapter describes the results of the quantitative analysis. The analysis consists of three steps according to Table 5. The pre-analysis of the data and treatment of missing values are also elaborated in this chapter.

5.1. Analysis of the data

Before submitting a dataset to statistical analysis, I explored and analyzed the data. According to this analysis, the data was complete and clear for the first four scenarios. Frequency distribution of the variables involved in the first four scenarios did not reveal any miscreants or deviants in the data which might vitiate the results. However, the data of scenario 5 was not fully complete, having missing values $> 5\%$. Moreover, the frequency distribution of the variables involved in scenario 5 showed that respondents were inclined to mark only one of the factors as “greatly influential” while the other seven as “non-influential”. I suppose the respondents were already tired and had lost their attention to the survey by scenario 5 which they wanted to complete as quickly as possible without making deliberate decision. Taking into account that these deviants in the data might vitiate the results, I decided to omit scenario 5 from the analysis and did not include it in any hypothesis test.

Furthermore, the analysis of the descriptive statistic of the control variable revealed that some sub-groups of the variables had too small a number of observations to be valuable for a statistical analysis, thus I decided to merge some groups and give them new codes. The control variables of age, position, state and foreign shareholders were not altered from their original ranges. At the same time, the control variable of education was recorded into two clusters as College = 1 and Higher Education = 2; the control variable of working experience was also recorded in two groups as “1 – 5 years” = 1 and “up from 6 years” = 2; the control variable of firm size was recorded in two clusters too as “1 – 15 employees” and “up from 16 employees”. Lastly, the variable of location was grouped into two clusters and coded as Central Region = 1 and Non-Central Region = 2.

5.2. Treatment of missing values

Missing values mean that some variables do not have a measurement, and such missing data is a common occurrence for a survey. Among the main reasons of missing values are no response, unqualified answers, data was not entered correctly, etc. As missing values may significantly influence research results, they need to be identified and analyzed before a statistical analysis.

In this research, all values of the variables that did not have measurements were treated as missing. First of all, I checked all missed cases to identify input data mistakes. In this fashion, all missed cases caused by input mistakes were identified and corrected. Furthermore, I analyzed the remaining cases with missing values. All other cases were identified as random causes: a respondent was not willing to answer certain questions, or that he or she stops answering the questionnaire for some external and unrelated reason. Missing values could be replaced with certain

values, for instance mean substitution, or simply omitted from a statistical analysis. In this research the missed values were eliminated from the analysis using a list-wise approach. The elimination of the missed values was carried out for each scenario that did not cause a large change of the sample size and kept the validity of the analysis.

5.3. Step 1 — Analysis of Association between Dependent Variables

Step 1 analyzes whether the ethical attitudes and the intended behavior are associated. Hypothesis 1 predicts that there is a relationship between the ethical attitudes and the intended behavior. For Hypothesis 1 I performed Pearson's χ^2 to test the null hypothesis of no association between ethical attitudes and intended behavior for each scenario. For this purpose, the variables of ethical attitude and intended behavior were recorded into dichotomous outcomes: whether a respondent expresses agreement with and whether he or she likely behaves as in the described practice of a scenario. Accordingly, code 1 was given to agreement with a practice and likely behavior, while code 0 was given to non-agreement with a practice and unlikely behavior.

5.3.1. Scenario 1

As reported in Table 6, a very strong and significant association between the ethical attitudes and the intended behavior was found for scenario 1, $\chi^2(1) = 32.53$ ($p < 0.001$), Cramer's $V = 0.56$ ($p < 0.001$) and $\lambda = 0.49$ ($p < 0.001$) with ethical attitude dependent. Examination of the cell frequencies in Table 7 showed that 52.4 percent of the respondents reported agreement of both the ethical attitudes and the intended behavior and 24.3 percent disagreement towards the practice of using a favor to accomplish a business goal.

Table 6: Association Tests of Ethical Attitudes and Intended Behavior

Tests	Sc1 Using a favor to accomplish a business goal	Sc 2 Disclosure of confidential information	Sc 3 Payment of unofficial wages in cash	Sc4 Non-reporting to company management about the improper behavior of co- workers
$\chi^2(1)$	32.53***	50.43***	25.29***	12.33***
Cramer's V	0.56***	0.70***	0.50***	0.39***
λ	0.49***	0.62***	0.42***	0,30**
Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1				

Table 7: Cross-tabulation of Ethical Attitudes and Intended Behavior

Scenario			Intended Behavior, %		Total
			Unlikely	Likely	
Sc 1 Using a favor to accomplish a business goal	Disagree	Count	25	22	45.6%
		% of Total	24.3%	21.4%	
	Agree	Count	2	54	54.4%
		% of Total	1.9%	52.4%	
	% of Total			26.2%	73.8%
Sc 2 Disclosure of confidential information	Disagree	Count	30	7	36.3%
		% of Total	29.4%	6.9%	
	Agree	Count	7	58	63.7%
		% of Total	6.9%	56.9%	
	% of Total			36.3%	63.7%
Sc 3 Payment of unofficial wages in cash	Disagree	Count	23	18	40.6%
		% of Total	22.8%	17.8%	
	Agree	Count	6	54	59.4%
		% of Total	5.9%	53.5%	
	% of Total			28.7%	71.3%
Sc 4 Non-reporting to company management about the improper behavior of co-workers	Disagree	Count	24	23	46.1%
		% of Total	23.5%	22.5%	
	Agree	Count	10	45	53.9%
		% of Total	9.8%	44.1%	
	% of Total			33.3%	66.7%

5.3.2. Scenario 2

A very strong and significant association between the ethical attitudes and the intended behavior was also found for scenario 2, $\chi^2(1) = 50.43$ ($p < 0.001$), Cramer's $V = 0.70$ ($p < 0.001$) and $\lambda = 0.62$ ($p < 0.001$) with ethical attitude dependent (Table 6). Examination of the cell frequencies in Table 7 showed that 56.9 percent of the respondents reported agreement of both, the ethical attitudes and the intended behavior and 29.4 percent disagreement with the practice of disclosing confidential information.

5.3.3. Scenario 3

According to Table 6 a very strong and significant association between the ethical attitudes and the intended behavior was also found in scenario 3, $\chi^2 (1) = 25.29$ ($p < 0.001$), Cramer's $V = 0.50$ ($p < 0.001$) and $\lambda = 0.42$ ($p < 0.001$) with ethical attitude dependent. Examination of the cell frequencies reported that in scenario 3, 53.5 percent of the respondents expressed agreement of the ethical attitudes and the intended behavior while 22.8 percent disagreement with the practice of paying unofficial wages in cash (Table 7).

5.3.4. Scenario 4

With regard to scenario 4, a very strong and significant association between the ethical attitudes and the intended behavior was found, $\chi^2 (1) = 12.33$ ($p < 0.001$), Cramer's $V = 0.35$ ($p < 0.001$) and $\lambda = 0.30$ ($p < 0.01$) with ethical attitude dependent. Examination of the cell frequencies reported that in scenario 4, 44.1 percent of the respondents expressed agreement of the ethical attitudes and the intended behavior while 23.5 percent disagreement towards the practice of non-reporting to company management about the improper behavior of co-workers.

To sum up, Pearson's χ^2 revealed very strong and significant associations between the ethical attitudes and the intended behavior for all four scenarios. A majority of the respondents showed consent of their attitudes with their behavior towards the ethical dilemma. These statistical results proved Hypothesis 1.

5.3.5. Analysis of Control Variables

I continued with the examination whether the relationships between the attitudes and the behavior were moderated by the control variables. For this purpose I performed Mantel-Haenszel analysis to test the null hypothesis of no relationship between ethical attitudes and intended behavior when controlling for a third (control) variable. This test was made for each control variable across all four ethical scenarios.

As reported in Table 8, adjusting all control variables across four scenarios did not reveal a significant difference between the ethical attitudes and the intended behavior.

Table 8: Mantel-Haenszel Results for Conditional Independence

Control variables	Sc 1	Sc 2	Sc 3	Sc 4
Gender	***	***	***	**
Age	***	***	***	**
Education	***	***	***	**
Work experience	***	***	***	**
Position	***	***	***	***
Firm size	***	***	***	***
Location	***	***	***	**
State shareholders	***	***	***	**
Foreign shareholders	***	***	***	**

5.4. Step 2 — Binary Logistic Regression

Step 2 analyzes whether the individual, the organizational and the environmental factors influence the ethical attitudes and the intended behavior, respectively. Hypothesis 2 and Hypothesis 3 state that there is a relationship between the individual, the organizational and the environmental factors and the ethical attitudes and the intended behavior, respectively. To test these two hypotheses, I performed binary logistic regression for each scenario for attitude and behavior separately. For this purpose, the variables of ethical attitude and intended behavior were recorded into dichotomous outcomes: whether a respondent expresses agreement with and whether he or she likely behaves as in the described practice of the scenario. Accordingly, code 1 was given to agreement with a practice and likely behavior, while code 0 was given to non-agreement with a practice and unlikely behavior. The logistic regression analysis was performed with the Binary Logistic procedure in the statistical computing environment R (R Core Team 2015).

In order to test Hypothesis 2 and Hypothesis 3 two logistic models were conducted for attitude and behavior separately for each scenario. Following the equation for the binary logistic regression model (Equation 1), for each of the scenarios, we have $k = 17$ predictors. That is, the 9 control variables and the 8 main predictors.

The entry method (all variables are included in a model at one step) was used to identify the models that would better fit to the data. The results of binary logistic regression for ethical attitude and intended behavior across all four scenarios are presented in Table 9 and Table 10.

Table 10: Standardized Binary Logistic Regression Model for Intended Behavior

	Sc 1 Using a favor to accomplish a business goal			Sc 2 Disclosure of confidential information			Sc 3 Payment of unofficial wages in cash			Sc 4 Non-reporting about the improper behavior of co-workers		
	Coef	p-val	VIF	Coef	p-val	VIF	Coef	p-val	VIF	Coef	p-val	VIF
(Intercept)	-0.06			-9.23	*		2.24			23		
Control Variables												
Gender (baseline: Female)			1.99			1.86			1.5			1.28
Male	2.34			4.12	*		-1.3			-0.14		
Age (baseline:21-30)			1.37			1.4			2.12			1.37
31-40	0.17			-0.14			1.41			-3.15	**	
41+	-0.38			0.65			1.74			-2.79	*	
Education (baseline: College)			1.5			2.27			1.94			1
Higher Education	0.79			7.11	*		3.94			-19.2		
Working experience (baseline:1-5 year)			1.28			1.53			2.34			1.27
6+ year	0.09			0.48			-2.14			0.83		
Position (baseline: Non-management)			1.36			1.27			2.1			1.28
Middle Management	-0.32			-0.05			2.9			1.51		
Upper Management	1.21			0.59			0.79			3.38	**	
Firm Size (baseline: 1-15 employees)			1.29			1.25			2.68			1.3
16+ employees	-0.48			0.09			-2.22			-1.62	.	
Location (baseline: Central)			1.43			1.25			2.12			1.52
Non-Central	1.49			0.3			1.52			-3.03	**	
State Shareholders (baseline: no)			1.41			1.75			2.49			1.21
yes	0.87			1.77			-2.5			1.52		
Foreign Shareholders (baseline:no)			1.53			1.6			1.71			1.46
yes	0.7			0.15			0.83			-2.1	.	
Main variables:												
F1:Personal beliefs	-2.64	*	1.28	-1.49	*	1.6	-5.05	*	4.73	-0.45		1.26
F2: Important referents' beliefs	-1.21		2.09	-0.97		2.21	-4.23	*	3.6	2.19	***	1.81
F3:Business goals of an organization	1.08		1.92	2.4	**	2.1	4.79	*	4.96	-0.32		1.51
F4:Practices of executive leadership	-0.6		1.75	0.48		1.62	-0.98		2.81	-1.26	*	1.75
F5:Reward and sanctions in a firm	1.29		1.8	1.28	*	1.69	0.53		1.75	0.86		1.52
F6:Economic environment of business operations	0.46		1.74	1.64		2.38	6.08	.	6.31	0.3		1.57
F7:Legal regulations and norms	0.95		1.94	-1.25		2.51	-5.39		6	-0.85		1.8
F8:Cultural-social norms	-0.04		1.31	-0.08		1.34	1.68		2.43	1.39	*	1.94
Goodness-of-fit:												
Cox & Snell R-squared	0.5			0.56			0.58			0.45		
Nagelkerke R-squared	0.74			0.78			0.83			0.63		
AIC	80			81			69.5			99.1		

Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

5.4.1. Scenario 1

As reported in Table 9, factor 1, factor 2, factor 3, factor 4, factor 6 and gender (male) had a significant influence on the ethical attitudes of the Russian managers in scenario 1. However, the directions of the predictors were diverse. Factor 3 of business goals and factor 6 of business environment were positively related to the attitudes of the managers. Hence, the factors increase the probability of their agreement with the practice of using a favor to accomplish a business goal. On the contrary, factor 1 of personal beliefs, factor 2 of referents' beliefs and factor 4 of leadership were negatively related to the attitudes - they decreased the probability. In addition, the positive significant coefficient of male indicates that male respondents were more likely than female in expressing ethical agreement with the practice. Furthermore, analysis of the absolute values of the factors' coefficients show that factor 3 of business goal was the most influential on the attitudes of the managers, while all other significant factors had a similar magnitude of effect.

As reported in Table 10, factor 1 of personal beliefs had a significant influence on the intended behavior of the Russian managers. The direction of the predictor was negative, similar as for the ethical attitudes. It implies that the smaller the score of the factor, the more likely it is that a manager would behave according to scenario 1 (using a favor to accomplish a business goal). These results support Hypothesis 2 and Hypothesis 3 where there are relationships between the individual, the organizational and the environmental factors and the ethical attitudes and the intended behavior in scenario 1.

5.4.2. Scenario 2

According to Table 9, factor 1, factor 3, factor 6 and age (up from 31 years) had a significant influence on the ethical attitudes of the Russian managers in scenario 2. At the same time, the predictors had different directions. While factor 3 of business goals and factor 6 of business environment were positively related to the attitudes of the managers, factor 1 of personal beliefs was negatively correlated. In other words, the factors of business goals and the environment increased the probability of the managers' agreement with the practice of disclosure of confidential information, whereas the factor of personal beliefs decreased that probability. Furthermore, examining the absolute values of the factors' coefficients shows that factor 6 of the business environment was the most influential on the attitudes of the managers, while all other factors had a similar magnitude effect. In addition, the significant positive coefficient of age up from 31 years indicates that the older respondents were more likely than the younger expressing ethical agreement with this practice.

According to Table 10, factor 1, factor 3 and factor 5 had a significant influence on the intended behavior of the Russian managers. The probability of likely behavior of the managers correlated positively to factor 3 of business goal and factor 5 of rewards and sanctions, while factor 1 of personal beliefs had an opposite, that is negative, effect on the probability. It implies, for instance, that the smaller the score of factor 1 of personal beliefs, the more likely it is that a manager would behave according to scenario 2 (disclosure of confidential information). Furthermore, investigation

of the absolute values of the factors' coefficients show that factor 3 of business goals was the most influential on the intended behavior of the managers, while the other two factors had a similar magnitude effect. Additionally, the control variable of education had also a significant positive influence on the intended behavior of the managers. The respondents with a higher level education than the respondents with a college diploma are more likely to behave according to scenario 2.

These results support Hypothesis 2 and Hypothesis 3 where there are relationships between the individual, the organizational and the environmental factors and the ethical attitudes and the intended behavior in scenario 2.

5.4.3. Scenario 3

As reported in Table 9, factor 3 of business goals and factor 6 of business environment had a significant influence and were interrelated positively to the ethical attitudes of the Russian managers in scenario 3. Hence, both factors increased the probability of the managers' agreement with the practice of paying unofficial wages in cash. An analysis of the absolute values of the factors' coefficients show that factor 6 of business environment had a stronger influence on the ethical attitudes than factor 3 of business goals.

According to Table 10, factor 1, factor 2 and factor 3 have significant influence on the likely behavior of the Russian managers. The log of the odds of the managers expressing likely behavior was negatively related to factor 1 of personal beliefs and factor 2 of important referents' beliefs and positively related to factor 3 of business goals. In other words, the higher the score of factor 3 the greater the chance that a manager would behave according to scenario 3 (payment of unofficial wages in cash). The absolute values of the factors were similar with a slightly greater value of factor 1 of personal beliefs.

These results support Hypothesis 2 and Hypothesis 3 where there are relationships between the individual, the organizational and the environmental factors and the ethical attitudes and the intended behavior in scenario 3.

5.4.4. Scenario 4

As reported in Table 9, factor 2, factor 3 and factor 8 have significant influence on the ethical attitudes of the Russian managers in scenario 4. However, the directions of the significant predictors were diverse. Factor 2 of important referents' beliefs and factor 8 of business environment were related positively to the attitudes of the managers, and hence, the factors increased the probability of their agreement with the practice of non-reporting about the improper behavior of co-workers. On the contrary, factor 3 of business goals was negatively associated with the attitudes and decreased this probability. In addition, two control variables had significant negative coefficients: age up from 31 years and non-central location. It implies that older managers from non-central regions of Russia are less likely expressing ethical agreement with the practice than younger ones from central regions. Furthermore, analysis of the absolute values of the factors' coefficients show that factor 8

of cultural-social norms was the most influential on the attitudes of the managers, while other factors had a similar magnitude effect.

According to Table 10, factor 2 of important referents' beliefs, factor 4 of leadership and factor 8 of cultural-social norms had a significant influence on the intended behavior of the Russian managers. The log of the odds of the managers expressing likely behavior was negatively related to leadership and positively correlated to referents' beliefs and cultural-social norms. In other words, the higher score of factor 2 of referents' beliefs and factor 8 of cultural-social norms the greater the chance that a manager would behave according to scenario 4 (non-reporting about the improper behavior of co-workers). Furthermore, analysis of the absolute values of the factors' coefficients show that factor 2 of referents' beliefs was the most influential on the behavior of the managers, while other factors had a similar magnitude effect. Moreover, three control variables had diverse significant influence on the intended behavior of the managers towards their practice. While age up from 31 years and non-central location were related to the probability of likely behavior negatively, upper management position affected the probability positively.

These results support Hypothesis 2 and Hypothesis 3 in that there are relationships between the individual, the organizational and the environmental factors and the ethical attitudes and the intended behavior in scenario 4.

To sum up, the binary logistic regression test did reject null hypotheses of no relationships between the individual, the organizational and the environmental factors and the ethical attitudes and the intended behavior for all four ethical scenarios. The statistical results revealed strong and significant relationships between the given set of the factors and the attitudes and the behavior that support Hypothesis 2 and Hypothesis 3.

5.5. Step 3 — Analysis of Association between Factors influencing Dependent Variables

Step 3 studies whether the factors influencing attitudes and behavior are associated. Hypothesis 4 states that the relationship exists. To analyze Hypothesis 4, I performed Kendall's τ -b to test the null hypothesis of no association between the factors influencing ethical attitudes and the factors influencing intended behavior for each scenario.

5.5.1. Scenario 1

As reported in Table 11, I found very strong and significant associations amongst all matching factors of the ethical attitudes and of the intended behavior (the diagonal values). The reported associations were all positive. It implies that an increase in a factor of the attitudes was correlated with an increase in a matching factor of the behavior. These results support Hypothesis 4 in which there is the association between the factors influencing ethical attitudes and the factors influencing intended behavior.

Table 11: Kendall test (tau-b) for scenario 1

Sc 1 Using a favor to accomplish a business goal			Intended Behavior							
			Individual		Organisational			Environmental		
			F1	F2	F3	F4	F5	F6	F7	F8
Ethical Attitudes	Individual	F1:Personal system of convictions, values, beliefs	0.57***	0.25**	-0.13	0.02	0.06	- 0.34***	- 0.30**	- 0.03
		F2: Important referents' convictions, values, beliefs	0.17	0.58***	0.19*	0.13	0.14	- 0.00	0.04	0.01
	Organisational	F3:Business goals of an organization	- 0.09	0.13	0.54***	0.30**	-0.00	0.04	0.02	0.05
		F4:Norms and practices of executive leadership	0.07	0.16	0.45***	0.62***	0.03	- 0.23*	- 0.06	- 0.13
		F5:System of reward and sanctions in a firm	0.1	0.18	0.19*	0.38***	0.55***	0.03	0.06	- 0.02
	Environmental	F6:Economic environment of business operations	- 0.26 **	- 0.11	0.02	- 0.00	0.04	0.55***	0.31**	0.07
		F7:Legal regulations and norms in Russia	- 0.07	-0.02	- 0.01	0.01	0.08	0.32***	0.62***	0.04
		F8:Cultural-social norms in Russia	- 0.05	- 0.10	- 0.02	- 0.05	0.07	0.29**	0.15	0.75***

Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Furthermore, I found strong, significant and positive associations within each group of factors: individual, organizational and environmental. For instance, factor 1 of the attitudes (personal beliefs) was also strong correlated with factor 2 (referents' beliefs) of the behavior. Analysis of factors' interactions across the groups provided another interesting observation. Factor 1 of the attitudes (personal beliefs) was strong, significant and negatively associated with factor 6 (economic environment). In other words, an increase of the attitudinal factor was correlated with a decrease of the behavioral factor and vice versa.

5.5.2. Scenario 2

According to Table 12, I found very strong and significant associations amongst all matching factors of the ethical attitudes and of the intended behavior (the diagonal values) for scenario 2. The reported associations were all positive, that inform us that when factor 1 of the attitudes increases then factor 1 of behavior increases too, and the same for the other factors. These results support Hypothesis 4 in which there is the association between the factors influencing ethical attitudes and the factors influencing intended behavior.

Table 12: Kendall test (tau-b) for scenario 2

Sc 2 Disclosure of confidential information			Intended Behavior							
			Individual		Organisational			Environmental		
			F1	F2	F3	F4	F5	F6	F7	F8
Ethical Attitudes	Individual	F1: Personal system of convictions, values, beliefs	0.61***	0.31**	- 0.22 *	- 0.01	- 0.01	- 0.08	- 0.09	- 0.11
		F2: Important referents' convictions, values, beliefs	0.33**	0.61***	- 0.07	0.15	0.09	- 0.02	0.01	- 0.01
	Organisational	F3: Business goals of an organization	- 0.26**	0.04	0.70***	0.39**	0.14	0.14	0.09	0.06
		F4: Norms and practices of executive leadership	- 0.08	0.18	0.52***	0.52**	0.18	0.14	0.20*	0.06
		F5: System of reward and sanctions in a firm	- 0.04	0.14	0.28***	0.33**	0.53***	0.31***	0.33***	0.04
	Environmental	F6: Economic environment of business operations	- 0.15	- 0.02	0.13	0.18	0.38***	0.61***	0.45***	0.22 *
		F7: Legal regulations and norms in Russia	- 0.09	- 0.00	0.12	0.25**	0.33***	0.50***	0.74***	0.23 *
		F8: Cultural-social norms in Russia	- 0.02	0.13	0.11	0.11	0.08	0.25**	0.25**	0.79***
	Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1									

In addition, within each group of factors: individual, organizational and environmental significant and positive associations were established. For instance, factor 5 of the attitudes (reward and sanctions) was also strongly correlated with factor 3 (business goals) and factors 4 (leadership) of the behavior. Analysis of factors' interactions across the groups provided other interesting observations. An individual factor 1 of personal beliefs was strong, significant and negatively associated with an organizational factor 3 of business goals. That means an increase in the factor of personal beliefs was correlated with decrease in the factor of business goals and vice versa. The results also revealed very strong, significant and positive associations between the organizational and the environmental factors, for instance, between factor 5 of reward and sanctions and factor 6 of economic environment.

5.5.3. Scenario 3

As presented in Table 13, I found very strong and significant associations amongst all matching factors of the ethical attitudes and of the intended behavior (the diagonal values) for scenario 3. The associations were all positive. It implies that an increase in a factor of the attitudes was correlated with an increase in a matching factor of the behavior. These results support Hypothesis 4 in which

there is the association between the factors influencing ethical attitudes and the factors influencing intended behavior.

Table 13: Kendall test (tau-b) for scenario 3

Sc3 Payment of unofficial wages in cash			Intended Behavior							
			Individual		Organisational			Environmental		
			F1	F2	F3	F4	F5	F6	F7	F8
Ethical Attitudes	Individual	F1: Personal system of convictions, values, beliefs	0.55 ***	0.28 **	0.05	0.10	0.20 ·	- 0.05	- 0.11	- 0.05
		F2: Important referents' convictions, values, beliefs	0.25 **	0.45 ***	- 0.03	0.24 *	0.16 ·	0.02	- 0.11	- 0.03
	Organisational	F3: Business goals of an organization	- 0.02	0.02	0.38 ***	0.24 *	0.19 *	0.04	- 0.11	0.06
		F4: Norms and practices of executive leadership	- 0.06	0.15	0.18 *	0.41 ***	0.21 *	0.02	- 0.09	0.05
		F5: System of reward and sanctions in a firm	0.06	0.17 ·	0.16 ·	0.29 **	0.49 ***	0.07	- 0.05	0.21 *
	Environmental	F6: Economic environment of business operations	- 0.10	- 0.10	0.02	0.02	0.07	0.63 ***	0.40 ***	0.31 ***
		F7: Legal regulations and norms in Russia	- 0.12	- 0.22 *	0.00	- 0.01	- 0.04	0.34 ***	0.63 ***	0.15
		F8: Cultural-social norms in Russia	- 0.03	0.06	- 0.01	0.06	0.19 *	0.27 **	0.20 *	0.77 ***

Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Furthermore, strong, significant and positive associations were found within each group of factors: individual, organizational and environmental. For instance, environmental factor 6 (economic environment) of the attitudes was also strong and positively correlated with other two behavioral factors from the same group's factors: 7 of legal regulations and factor 8 of cultural norms.

5.5.4. Scenario 4

According to Table 14, I found also very strong and significant associations amongst all matching factors of the ethical attitudes and of the intended behavior for scenario 4 (the diagonal values). The reported associations were all positive. Hence, that means an increase in a factor of the attitudes was correlated with an increase in a matching factor of the behavior. These results support Hypothesis 4 in which there is the association between the factors influencing ethical attitudes and the factors influencing intended behavior.

Table 14: Kendall test (tau-b) for scenario 4

Sc4 Non-reporting to company management about the improper behavior of co-workers			Intended Behavior							
			Individual		Organisational			Environmental		
			F1	F2	F3	F4	F5	F6	F7	F8
Ethical Attitudes	Individual	F1: Personal system of convictions, values, beliefs	0.45 ***	0.19 *	- 0.08	- 0.14	- 0.09	- 0.07	- 0.02	- 0.05
		F2: Important referents' convictions, values, beliefs	0.23 **	0.68 ***	0.20 *	0.08	0.08	0.02	0.04	0.03
	Organisational	F3: Business goals of an organization	- 0.05	0.16	0.63 ***	0.54 ***	0.31 **	0.17 ·	0.16 ·	0.08
		F4: Norms and practices of executive leadership	- 0.13	0.04	0.50 **	0.59 ***	0.33 ***	0.18 ·	0.12	0.10
		F5: System of reward and sanctions in a firm	- 0.04	0.12	0.36 ***	0.47 ***	0.53 ***	0.32 ***	0.25 **	0.06
	Environmental	F6: Economic environment of business operations	- 0.02	0.05	0.21 *	0.24 *	0.28 **	0.70 ***	0.63 ***	0.42 ***
		F7: Legal regulations and norms in Russia	0.00	0.11	0.22 *	0.27 *	0.22 *	0.53 ***	0.68 ***	0.39 ***
		F8: Cultural-social norms in Russia	- 0.07	0.06	0.03	0.01	0.14	0.34 ***	0.46 ***	0.70 ***

Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Furthermore, strong, significant and positive associations were found within each group of factors: individual, organizational and environmental. For instance, factor 1 of personal beliefs and factor 2 of referents' beliefs of the attitudes were also strong and positively correlated with the matching factors of the behavior. Investigation of factors' correlations across the groups provided another interesting case to be pointed out: strong, significant and positive associations between factor 4 of the attitudes (leadership) and factor 3 of the behavior (business goals).

To sum up, Kendall's τ -b revealed very strong and significant associations amongst all matching factors of the ethical attitudes and of the intended behavior (the diagonal values) for all four scenarios. It means that the factors affected the attitudes and the behavior in the same way. These results support Hypothesis 4: the factors influencing attitudes and behavior are associated.

6. Discussion and conclusions

Over the past twenty-five years Russia has made significant strides on the path of the market economy development. Today, the Russian economy is actively involved in international business and makes evident contributions to the world economy. However, the Soviet past, along with the on-going political and economical transitions, have stipulated the emergence of a chaotic business environment with various practices - most of which being unclear to foreigners. This lack of understanding, in fact, prevents a strengthening of business relationships with international companies and the growth of foreign investment in the country. Thus, as it had been stated by Vladimir Putin at the Saint Petersburg International Forum in 2014, one of the main goals for the next few years was to be a significant improvement in the business climate in the country.

Research has made progress towards understanding Russian business ethics. One of the extensively discussed approaches suggests that a clue lies in the context of ethical decision making, and local ethical norms play a decisive role for ethical judgments in a given context (Donaldson & Dunfee, 1994, 1999). This study, following this research stream, was aiming to examine a set of the context-specific business practices and whether they express the local ethical norms in Russia. To achieve this purpose, the research model was developed according to which, firstly, the relationship between the ethical attitudes and the intended behavior reported by the managers was investigated. Secondly, the extent and the direction of the influence of the individual, the organizational and the environmental factors on the ethical attitudes and the intended behavior were examined. Based on the comprehensive literature review, the research model and the qualitative analysis of the survey data from 106 Russian managers, four local ethical norms and factors influencing them were established. The findings can be summarized as follows:

First, the empirical results revealed the consent of the ethical attitudes and the intended behavior of the Russian managers with regard to all four tested business practices: using a favor to accomplish a business goal, disclosure of confidential information, payment of unofficial wages in cash, non-reporting to company management about the improper behavior of co-workers. The managers were consistent in their actions: they found the practices as ethically acceptable and express also the likelihood of behaving accordingly.

Second, it was established that the individual, the organizational and the environmental factors influenced significantly the ethical attitudes and intended behavior of the Russian managers. Different sets of the factors shaped a motive's frame for any given practice. However, the factor of individual beliefs and the factors of the business goals and environment were essential for the most cases, while legal regulations did not modify the attitudes and the behavior of the managers at all. Furthermore, it was established that the directions of the factors effects were not one-way. While the individual factors influence the attitudes and the behavior negatively, the organizational and the environmental factors affected them mostly positively.

Third, there were established significant and strong associations between the factors influencing the ethical attitudes and the factors influencing the intended behavior for all four tested practices. It means that the factors affected the attitudes and the behavior in the same way: an increase in a factor of the attitudes is correlated with an increase in a matching factor of the behavior and vice versa. Thus, along with the established agreement between the attitudes and the behavior of the Russian managers towards the practices, the influencing factors expressed consent among them too.

Fourth, taking into account that the managers were consistent in their attitudinal and behavioral reactions on the tested practices, and the influencing factors upon these reactions were interconnected, all four practices might be labeled as local ethical norms of the Russian business community. Thus, using a favor to accomplish a business goal, disclosure of confidential information, payment of unofficial wages in cash, non-reporting to company management about the improper behavior of co-workers are Russian business and organizational standards having the context-specific ethical justifications of its origins.

This chapter discusses the major findings and their implications for theory and practice in more detail. The discussion is organized around the three research questions that guided the study. It is then followed by a summary of the contributions to theory and management practices, limitations and directions for further research.

6.1. Key findings: What relationship exists between ethical attitudes and intended behavior of Russian managers towards local business practices?

This research question aimed to analyze if there is a relationship between the ethical attitudes and the intended behavior reported by the Russian managers. To that end, one hypothesis was formulated. Hypothesis 1 stated that there is an association between the ethical attitudes and the intended behavior. The key finding is that, indeed, there is consent of the ethical attitudes and the intended behavior with regard to all four tested business practices: the use of a favor to accomplish a business goal, disclosure of confidential information, payment of unofficial wages in cash, non-reporting to company management about the improper behavior of co-workers. The managers expressed both ethical agreements and likely behavior towards the practices that provided support for Hypothesis 1. Thus, this study extends literature on international business, business ethics and organizational behavior by studying specific ethical practices in the given business and organizational context.

As was already mentioned in chapter 1.2.3, despite the evident importance of local business and organizational norms for ethical decision making in a given context, this research area has not yet received sufficient attention of the scholars on Russian business ethics. Just a small number of studies have analyzed Russian context-specific practices. For instance, the national traditions of using a favor to accomplish a business goal and the evasion of laws and regulations were discussed by McCarthy and Puffer in their qualitative studies (1997, 2012). Furthermore, a little support among Russian managers to the norm of reporting to company management about the improper behavior of co-workers was revealed by a quantitative study of Hisrich et al. (2003). Most of the

studies were qualitative, while isolated quantitative studies analyzed exclusively the attitudes of managers neglecting their behavioral reactions to ethical dilemmas⁸. Thus, the present study has gone further than previous research. It included the analysis of two new not yet researched practices: the disclosure of confidential information and the payment of unofficial wages in cash. Another contribution is the quantitative proof of the business ethical preferences of Russian managers in the context of both attitude and behavior.

An important related finding is that, despite the established consent of the ethical attitudes and the intended behavior, a high percent of the managers also indicated mutual attitudinal and behavioral disagreements with the tested practices. So, 24.3 and 29.4 percent of the managers expressed disagreement with using a favor to accomplish a business goal and disclosure of confidential information respectively. Furthermore, 22.8 and 23.5 percent articulated dissent with payment of unofficial wages in cash and non-reporting to company management about the improper behavior of co-workers correspondingly. Thus, a quarter of the respondents did not support the practices. Thus, this study contributes to literature on Russian business culture and ethics by revealing the heterogeneous structure of beliefs and values in Russia. Actually, the present finding gives hope to the improvement of ethical practices in the country.

Another novel result is that a high percent of the managers found some practices ethically unacceptable but expressed likely behavior. It was true for 22.5, 21.4 and 17.8 percent of the managers in relation to non-reporting to company management about the improper behavior of co-workers, using a favor to accomplish a business goal and payment of unofficial wages in cash correspondingly. These results add to other studies of Jaffe and Tsimmerman (2005); Sommer et al. (2000); Spicer et al. (2004) which have revealed frequent contradictions between individual beliefs and social behavior among Russians. A potential useful angle to understand this phenomenon is proposed by De George (1993), who argues for the distinction between societal behavior and individual morality. Behavior might be rather provoked by forceful or compulsory social factors than consequences of individual beliefs. Therefore, the individual attitudes of Russians might be different from their behavior, which is under the influence of business goals and the environment. This presumption is confirmed by further analysis in chapter 6.2 where business goals and the environment were discovered as the central motives' forces of the managers' behavior. Thus, this study makes a contribution to the literature on individual ethics and organizational behavior by providing empirical evidence of the frequent mismatching between personal values and organizational behavior of individuals. Individuals are forced to follow "rules of play" while they do not share those morals. It is true especially for transition economics where commercial goals prevail over individual and social values.

⁸ The exceptions are two cross-cultural quantitative studies of Spicer, A., Dunfee, T. W., & Bailey, W. J. 2004. Does national context matter in ethical decision making? An empirical test of integrative social contracts theory. *Academy of Management Journal*, 47(4): 610-620. and Bailey, W. & Spicer, A. 2007. When does national identity matter? Convergence and divergence in international business ethics. *Academy of Management Journal*, 50(6): 1462-1480. devoted to the analysis of Russian and Americans ethical norms from the angle of attitudes and behavior.

The next finding is a relatively high percentage of the respondents who found some practices as ethically acceptable but indicated unlikely behavior. It was true for 9.8, 6.9 and 5.9 percent of the managers in relation to reporting to company management about the improper behavior of co-workers, disclosure of confidential information and payment of unofficial wages in cash respectively. These results are controversial as an individual considering an action as good would rather also express a will to accomplish the action. In relation to the practice of reporting to company management about the improper behavior of co-workers the result of 9.8 percent could be caused by using a negative question in the scenario that, perhaps, led to a misunderstanding of the survey question. The other two results might be only explained by incorrect interpretation of these questions by the respondents. Future research using the present instrument and a bigger sample could clarify these uncertainties.

Overall, this dissertation addresses the call of Puffer and McCarthy (2007) to expand upon prevalent conceptual perspectives, and to search for new innovative approaches that fit into the context of a study, especially, in transiting economics like Russia and China. As I already noted in chapter 1.4.1., most of the prevailing research in Russian business ethics has been grounded in overseas concepts. Application of those rectilinear approaches has not provided specific norms to be used in certain conditions. Particularly, the overseas perspective has led to an oversimplification of findings and a negative rating of Russian ethical preferences. This study aims to overcome these limitations. It has applied the context-specific instrument, which is in line with the business context and experience of the country. On the one hand, it has allowed overcoming a potential terminological misunderstanding of the questionnaire that was often characteristic of overseas instruments (Michailova & Liuhto, 2001). On the other hand, it has revised conceptual perspectives on the analysis of Russian business ethics. The present study is grounded on context relevance and constructs validity, and it goes further than those described in western dominated literature. By this way, this study contributes to indigenous management practices and global management knowledge.

6.2. Key findings: How do individual, organizational and environmental factors affect ethical attitudes and intended behavior of Russian managers towards local business practices?

This research question aimed to analyze whether there are relationships between the individual, the organizational and the environmental factors on one side and the ethical attitudes and the intended behavior on the other side reported by the Russian managers. To that end, two hypotheses were formulated. Hypothesis 2 stated that there is a relationship between the individual, the organizational and the environmental factors, and the ethical attitudes. Hypothesis 3 stated that there is a relationship between the individual, the organizational and the environmental factors and the intended behavior. The key findings are that, indeed, there are significant relationships, the first, between the factors and the ethical attitudes and, the second, between the factors and intended behavior that provided support for Hypothesis 2 and Hypothesis 3. According to the results, the

individual, the organizational and the environmental factors influenced significantly the ethical attitudes and the intended behavior. Different sets of the factors shaped a frame of motives for any given practice. However, the factor of individual beliefs and the factors of the business goals and the environment were essential for most cases, while legal regulations did not modify the attitudes and the behavior of the managers at all. Furthermore, it was established that the directions of the factors' effects were not one-way. While the individual factors influence the attitudes and the behavior negatively, the organizational and the environmental factors affected them positively.

In particular, with relation to the practice of using a favor to accomplish a business goal, the factors of personal and referents' beliefs, leadership and the factors of the business goals and the environment were the main predictors. The factor of personal beliefs influenced the attitudes as well as the behavior of the managers, while all other mentioned factors directed just the attitudes. The factors' impacts were diverse; the individual factors influenced negatively while the business goals and the environment showed a positive effect. The negative influence of leadership is rather unexpected. On one hand, this finding might be evidence of that CEOs do not at least encourage the practice usage in Russian companies. It is a positive signal in a way of ethical culture advancement. On the other hand, this controversial result needs further consideration in a study with a larger sample. In addition, gender affects the attitudes of the managers. According to the results, male Russian managers are more likely using a favor to accomplish a business goal than their female colleagues. This finding supports the previous study of Deshpande et al. (2000a).

Overall, it seems that Russian managers, especially males, are willing to contact a tender team's member to ask for a favor, although, such an action violates their individual values. In other words, organizational success and the business environment perhaps require the managers to compromise their individual ethics. These results are in line with the studies on business and ethics in Russia. Bucar et al. (2003) and Hisrich et al. (2003) have revealed that managers are often forced to sacrifice their personal ethics to achieve a business goal. In addition, Zavyalova (2009) has stressed that the formal character of companies' norms did not correlate with employees' individual values. However, such a contact with a tender team's member who is, besides, a good friend is widespread behavior in Russia. Personal relationships prevail usually over business and professional commitments there. Prior studies have confirmed this assumption. For instance, McCarthy et al. (2012) and Woolley (1997) have claimed that using a favor to accomplish a business goal is commonly acceptable among Russian managers. Similar findings were obtained in a study of Beck and Lee (2002) revealing social factors of corrupted behavior of Russian police officers. Ledeneva (1998) has stressed a century-long history tradition of reciprocal favors, or so-called "blat". The results of this dissertation go further than the previous studies and contribute to management and business literature. The study empirically established the motives of the decision to contact a tender team's member for asking for a favor, and also discovered the interplay of these motives. Moreover, the study also contributes to gender research in Russia and ethics. The implication is that, in a setting with an unstable business environment and non-market oriented social customs, managers contact with a tender team's member to ask for a favor even when they are aware of the doubtful

nature of such a behavior. The revealed negative individual attitudes to the practice gives hope that in other business and social settings Russian managers would behave differently.

On the practice to disclosure confidential information, the predictors' map was also complex, including the individual, the organizational, and the environmental factors. As with the previous case, personal beliefs influenced the attitudes and the behavior negatively while business goals, a firm's system of rewards and sanctions and the business environment showed positive effects. It seems that the organizational and the environmental pressures force the managers to share confidential information. It is worth noting that the practice of non-disclosure of confidential information is new for the Russian context. During the Soviet time all an enterprise's information belonged to the state and did not hold trade secrets; that is, why managers did not consider enterprise's data as confidential. The definition of "confidential information" or "trade secret" has been used in the country just for the last twenty-five years. The Law on Commercial Secrets is new, and a firm's protection from an employee's disclosure of confidential information is still difficult (CMS, 2014). The appearance of the factor of a firm's system of rewards and sanctions among the attitude's predictors might indicate either the managers' anxiety of losing their jobs or gaining benefits as a consequence of this behavior. Thus, it is likely that a system of rewards and sanctions in Russian firms does not work as intended and rather has the opposite effect: it supports unethical behavior and punishes that which is ethical. This finding supports the previous research which has pointed out insufficient formal ethical procedures and regulations in Russian firms (Deshpande et al., 2000a; Robertson et al., 2003), and a lack of stimulus for ethical practices to flourish there (Ardichvili et al., 2012). In addition, gender, education and age affect the practice positively. It seems that male managers as well as the older managers with a higher education are more likely to disclose confidential information.

Despite a critical significance of the principle of the non-disclosure of confidential information for a companies' competitiveness, the practice has not received any research attention in the Russian context. Thus, this study makes a contribution to research on organizational behavior, management and gender studies by analyzing the factors influencing employees' disclosure of confidential information in Russian companies and providing the evidence of potential business risks caused by the disclosure. The implication is that the national culture and business experience conflicts with the principles of the overseas corporate governance because of the diverse nature of each. To advance the standard of non-disclosure of information among employees western companies should conduct substantial training programs and present the best practices in their local branches. Russian companies, in turn, should understand that they would benefit substantially in reducing their commercial risks from incorporating the standards into their organizational cultures. For all companies it is of vital importance to maintain a system of rewards and sanctions that encourages ethical behavior and punishes that which is unethical.

Furthermore, with relation to the practice of paying unofficial wages in cash, the factors of personal and referents' beliefs as well as the business goals and the environment were the predictors. The attitudes of the managers were driven by the individual factors with a negative impact and by the

factor of business goals with a positive impact. The behavior, however, were affected exclusively by the business goals and the environment with a positive influence. Therefore, the organizational and environmental factors again impact upon with the individual ones. This result indicates the organizational and environmental enforcement on the managers' ethical choices. Despite the managers' and their employees' negative attitudes towards an unofficial salary they would likely to pay respectively accept it. The practice and the factors influencing its emergence have not been broadly analyzed in research literature. However, numerous experts' opinions have confirmed that the wide usage of paying unofficial wages in Russia has been caused exclusively by environmental reasons such as a high tax burden and the low efficiency of the state pension insurance (Business Gazeta, 2012). Thus, the finding contributes to entrepreneurship literature providing the first empirical analysis of the practice. The implication is that running a business in Russia, especially a small-scale company, is within an unfriendly environment. The choice between keeping a business running and shutting it down depends in many cases on tax cuts at the costs of paying salaries in cash. This is especially true for the current time of the economic recession and financial instability in Russia in 2014-2015. Overall, the extensive usage of paying "black" salaries has had a large negative macro effect on business ethical culture in Russia.

Lastly, the practice of non-reporting to a company's management about the improper behavior of co-workers was significantly affected by the factors of referents' beliefs, leadership, business goals and cultural-social norms. It is interesting that in the present case the organizational factors showed a negative influence on the attitudes and behavior, whereas the individual and the environmental factors affected them positively. It seems that the Russian managers are aware of the harmful consequence of non-reporting for organizational and business relations and stability. However, they probably do not report because such an action contradicts the social norm of a personal relationship which is considered as a core value in Russia (Sidorov et al., 2000). Therefore, business goals are sacrificed in favor of the social custom which is a social stigma, restricting the behavior of Russian managers. Moreover, the practice of reporting was not common in Soviet times. In addition, the factors of age, location and position also affected the managers' choices. According to the findings, the older managers from non-central regions of Russia are less likely to support non-reporting. However, the senior managers from all Russian regions expressed an attitudinal approval with the practice.

The previous research has already discovered that Russians do not like to report about the improper behavior of co-workers (Hisrich et al., 2003). However, the motives and demographic features of their decision have been missing. Thus, illuminating the factors of this ethical choice is an important extension of existing research on ethics and organizational behavior. The implication is that the interaction of Russian social norms and the business experience with international corporate standards is not an easy because of the dissimilar nature of each. As a result, the staff resistance to report gives a sufficient rise to financial and reputation losses for companies. One possible decision is to incorporate this standard into organizational cultures and to convey it with extensive training programs.

Overall, this dissertation makes contributions to the literature on ethics, organizational behavior, international management, entrepreneurship and gender. The central contribution consists in the clarification of the motives of ethical-decision making of the Russian managers. It is shown that their ethical judgments and behavior are rooted in the organizational and macro levels in many respects. The managers are not guided by their individual beliefs; rather they are under the influence of companies' ambitions within the specific business and the cultural environments. These findings are in line with De George's claim (1993) about the separation between the individual level of morality and the society level of behavior as they are often provoked by forceful and compulsory social factors. Previous research has given initial evidence of the clash between individual values and the social behavior of Russians (Jaffe & Tsimerman, 2005; Sommer et al., 2000; Spicer et al., 2004). However, most of them being isolated from the social and the cultural context of ethical choices could not elucidate this attitudinal-behavioral conflict. Another helpful approach to understand reasons of deviant business practices in Russia was proposed by a study of Earle et al. (2010) who used a model of deviance normalization to conclude that the companies' deviant actions were stipulated by widespread use of the practices in the community. The findings of this dissertation also support this conclusion. Thus, the benefit of the present study is the use of the integrative model of ethical decision-making which consists of macro, organizational and individual perspectives. Besides, the research model also included the demographic variables that gave a couple of novel insights into the ethical choices of Russian managers, having different demographic and business backgrounds. The study, for instance, contributes to the small amount of research on gender and ethics in Russia.

6.3. Key findings: What relationships exist between the factors influencing ethical attitudes and the factors influencing intended behavior of Russian managers towards local business practices?

This research question aimed to analyze whether the factors influencing the attitudes and the factors influencing behavior are interconnected. To that end, one hypothesis was formulated. Hypothesis 4 states that there is an association between the factors influencing the ethical attitudes and the factors influencing the intended behavior. The key findings are that, indeed, there are such relationships with respect to all four practices that provide support for Hypothesis 4. In other words, the factors influencing the ethical attitudes are interconnected with the factors influencing the intended behavior reported by the managers. Along with the agreement between the attitudes and the behavior towards the studied practices, the factors express positive consent too. By this way, I have carried the analysis from the separate components of ethical norms (ethical attitude and intended behavior) further to its integers and the common factors influencing them. Summing up, the respondents supported the practices: they expressed both the ethical agreements and the likely behavior. Furthermore, the factors influencing the attitudes and the behavior were also interconnected. Given these results and following the concept of local ethical norms of the

Integrative Social Contracts Theory, all tested practices could be attributed to the Russian local ethical norms.

As was mentioned before, research on business cultural perspective suggests that local ethical norms within a relevant community and an organizational context are a critical source of ethical judgments (Donaldson & Dunfee, 1994, 1999). However, the literature on local ethical norms is limited due to a short history of the approach and a difficulty for its empirical application. Referring to the Russian context, it worth mentioning the conceptual studies of McCarthy and Puffer (2008); Puffer and McCarthy (1997), and the empirical papers of Spicer et al. (2004) and Bailey and Spicer (2007). Thus, this dissertation contributes to the literature on international business and ethics by advancing our understanding of what local ethical norms exist, which factors influence them, and how business operates in Russia. The implication is that despite the evident dubious nature of all tested practices in the view of international ethics and business standards, these practices have found their ethical justification in the given environment and have been widely used by members of the Russian business community. It is highly important to note for businesses, especially those international, while passing ethical judgments in the Russian context.

As with any other culture, business culture in Russia reflects nature, purpose, and the social environment of the community. The Russian business has grown in the conditions of disorderly political and economical transitions of the 1990s, wide-spread corruption, a lack of the state support and communism social values. Nowadays the priority of a business, especially for those small and moderately sized, is still survival. Therefore, gaining a quick profit and situational ethics still predominate in business decisions. From a market economy perspective, Russian society and companies hold vague assumptions of what is ethically right or wrong in business. However, ethical norms, some of them in certain circumstances, may change rapidly. There is a hope that a transformation of the business environment in the country will entail the re-shaping of managerial practices towards international business standards.

6.4. Implication relating to theory

The major contribution of this study is development and empirical validation of the integrative research model that sheds light on the interrelated components and the influencing factors of the under researched phenomenon – local ethical norms. The novelty of the approach lies in the combination of the concept of local ethical norms (Donaldson & Dunfee, 1994, 1999) with a number of theoretical models of ethical decision making (Ferrell & Gresham, 1985; Hunt & Vitell, 1986, 2006; Jones, 1991; Rest, 1986; Trevino, 1986). To my knowledge, this is the first inquiry to conduct such a compositional study on local ethical norms within the Integrative Social Contract Theory framework. Thus, it makes a contribution to business ethics, especially constructivist ethics, organizational behavior and international business research.

First, the study's focus is on local practices in a relevant business community, which were not sufficiently investigated in the literature on the ISCT. Thus, the identification and the analysis of Russian local ethical norms contribute to a relatively weak empirical database of the theory

(Donaldson, 2009; Dunfee, 2006; Glac & Kim, 2009). Moreover, the focal point on the interrelation of managerial attitude and behavior towards ethical dilemmas has overcome a shortcoming of previous studies in which the focus was either attitude or behavior (Bucar et al., 2003; Hisrich et al., 2003). Thus, the research contributes to the further mounting constructivist ethics, particularly, the Integrative Social Contracts Theory and its empirical verification.

Second, this study makes a contribution to organizational behavior research and adds to the few conceptual and empirical works that investigate factors of ethical decision-making in transition economies like that which exists in Russia (Ledeneva, 1999; Puffer & McCarthy, 1997, 2011; Sidorov et al., 2000; Venard, 2009; Woolley, 1997). For example, the factors such as business goals, leadership, a system of reward and sanctions, and an economic environment have not been empirically emphasized in the studies on Russian business ethics. However, these factors along with other tested factors have received a strong confirmation in this study implying a distinctive set of individual, organizational and environmental reasons for ethical-decision making. Thus, this dissertation contributes to a discussion about the significance of taking into account historical, cultural and institutional traits of a given context when passing judgment on behavior there (Bailey & Spicer, 2007; McCarthy et al., 2012; Puffer & McCarthy, 1997; Spicer et al., 2004). Additionally, the study adds to the small body of research on ethics and gender in Russia (Deshpande et al., 2000a).

Third, I have detected a number of important interactions among the factors contributing to the ethical dilemmas. They have differently influenced upon ethical decisions, for instance, while the individual factors influenced negatively, the organizational and the environmental ones showed a positive effect. The latter two perhaps constrain individual values of the managers. Another example is the supremacy of the factor of social norms upon the factor of business goals. This leads to novel inquiries such as a hierarchy of these motives. Overall, the analysis provides a rational and accurate portrait of the driving motives of ethical decisions in Russia. It contributes especially to discussion that often environmental and organizational contexts force managers to compromise their individual values (De George, 1993; Sommer et al., 2000) and to be involved in a certain form of corrupted behavior in Russia (Beck & Lee, 2002; Fituni, 2000). By this way, the study contributes to business ethics and organizational behavior literature.

Fourth, this dissertation makes also methodological contributions to the literature on international business and ethics. It follows the call to increase methodological rigor for studies in transition economies by investigating local business and organizational practices (Meyer, 2006; Puffer & McCarthy, 2007) and employing context-specific instruments for its study (Michailova & Liuhto, 2001). The developed integrative research model and empirical methodology for this research can be used to address many questions about personality, ethics and business in other specific cultural and business contexts. Furthermore, the model could inspire cross-cultural studies on the interplay of an individual, an organization and social and business environments. For instance, the research instrument has been already successfully used by the Higher School of Economics, National Research University in Moscow to study business ethics.

Fifth, a key strength of the study is empirical validation of the research model with a relatively large data sample that is truly representative of the Russian business community. Following the solid grounding on literature and confirmatory survey research, the model was tested with 106 managers from many Russian regions and with different demographic backgrounds. The results indicate that it reflects well the realities of ethical decision-making and business practices in Russia. It is worth noting that I will continue to collect data using the web-version of the survey <http://www.oprosetika.ru> to validate later the research model with a larger data sample.

Sixth, this study provides an extensive literature review on the current state of knowledge in the field of Russian business ethics. The systematic summary was focused on macro, organizational and individual levels of the research for the last twenty-five years. The results show that the next generation of scholars should focus on three main areas: expanding and integrating the various focal points, improving the methodological rigor, and investigating further into the neglected areas of the study. By this way, the study contributes to business ethics, organizational behavior and ethical decision-making in Russia literature.

6.5. Implications relating to management practice

The study's findings might have important practical implications and help companies and managers improve their operations in Russia. Specifically, the results facilitate a better understanding of what local ethical norms exist, which factors influence them, and how businesses operate in Russia. Overall this knowledge contributes to improvement of decision making processes there. Managers could also take several key points from this study and use them for shaping a new ethical organizational culture or refining an existing one.

Foreign companies

The findings of this study suggest that foreign companies, which are facing ethical conundrums in the real life context of Russian business, would benefit from adjusting their business and ethical perspectives. Many Russian business and organizational practices are substantially dissimilar to their local standards for a variety of stated causes. Despite an evident dubious nature of some of them in view of international ethics and business standards, those practices have found ethical justification in the given environment and have been widely used by members of the Russian business community. It is important to note for international business while passing ethical judgments in the Russian context. Therefore, a risk management strategy should include this factor as one of the main risks of doing business in Russia. To manage this threat a number of steps should be undertaken. First of all, foreign companies are required to build extensive networking with the local companies and the authorities. Good personal relationships are a key non-financial asset there. Furthermore, they should pay closer attention while signing commerce contracts. Unfortunately, there is no culture of supremacy of the law in the country. It allows Russian companies to break and to evade often regulations and contracts. Moreover, legal defense against unfair practices and partners is still difficult in the Russian courts. Finally, with relation to organizational policies of their local branches, companies should not just declare their organizational norms but ensure that

the standards are embedded into everyday practice, and they reflect the specific business and the cultural context.

Local companies

Russian firms, for their turn, should make every effort in reshaping their organizational policies in order to make them stronger, more efficient and respond more appropriately to the conditions of market economy. In this way, first of all, there is the need to consolidate an organizational culture together with the individual values of their employees. The aim of this course is to incorporate common values and to gain employees' support for a company's mission and goals. A strong organizational culture helps to attract and retain employees, to stimulate better teamwork and stronger employee initiatives. Furthermore, efficient organizational culture is a navigator for employees in their daily business actions and decision-making. Overall, it strengthens a company's brand. Next, it seems that the local companies underestimate commercial and reputation losses from using of the practices such as disclosing trade information and the non-reporting of unethical behavior. In fact, they still see the capacity to retain shadow practices as a competitive advantage. However, it can result in too great a financial loss, and a partner's escape. Therefore, a risk management strategy should determine this threat and identify ways of reducing it. Useful tools are the involvement of employees in the process of reshaping of an organizational policy and promotion of new standards through intense studies and training programs which might be adopted from abroad. In addition, despite the age-old tradition of personal relationships, the companies and their employees ought to be aware that this norm has originated from the different economical conditions - command economy. Nowadays the norm places obstacles on the way of business and competition developments for the local companies, especially overseas. There is no doubt that all mentioned changes would contribute to Russian companies' success in local and international markets. Moreover, these efforts would contribute to the improvement of the business environment and ethical culture in the country. Lastly, business leaders must play a more influential role in these processes to support game-changing initiatives at organizational, industry and regional levels. To support these long-term goals they should change their traditional way of leadership and to employ more democratic and transformational styles.

Ethical culture in an organization

As the findings have shown, the ethical culture in Russian organizations demands significant improvements in order to address the business and ethical challenges, to reduce commercial risks, and to enhance their reputation. The first step is to understand all the factors underlying the attitudes and behavior of employees. All attitudes and behavior, as the present study has revealed, are determined by the individual, the organizational and the environmental factors. Some of them are under a company's control, while others are not. Therefore, the foremost task is a reflective analysis of the current state. Managers need to assess potential blockages and outright problems, and to address them in the most efficient way. This study assists the managers by providing insight on these limitations and by presenting organizational reserves for ethical culture improvement.

Specifically, managers should pay attention to organizational mission and goals, codes of corporate conduct and ethics, leadership, internal organizational procedures, and training programs. Firstly, as mentioned before, the improvement of ethical culture could be achieved by the integration of companies' missions and goals with individual ethics of employees. As results have shown, companies operate in the organizational setting where individual values and organization goals contradict each other. Moreover, their code of corporate conducts and ethics express mostly just declared standards of behavior. These standards, in fact, are poorly addressed by the specific culture and, thus, are not shared by employees, for instance, the non-disclosure of information and reporting of unethical behavior. New standards have to be more actively promoted in companies. This process is not easy as it seems because of the staff's resistance which is rooted in the traditional values of personal relations and an unstable business environment. Extensive employees' involvement programs will assist in overcoming this blockage. Overall, changing this current organizational setting is one of the most absolute prerequisites for creating ethical organizations.

The introduction of new ethical cultures is unlikely to succeed if they are not accompanied by genuine support from senior managers. They create, maintain and transform the environments. It is a special truth for the Russian context where old generations still have a strong behavioral influence upon the young. Taking this into account, new ethics initiatives must be taken by senior management in Russian companies. They must be involved in organizational interpersonal dynamics by providing of examples of new ethical behavior. Additionally, accurate organizational incentives encourage ethical behavior and stimulate ethical thinking across an organization. However, as the results of this dissertation stated, a system of rewards and sanctions in Russian companies does not work as it is intended; it promotes rather unethical behavior while punishing that more ethical. Therefore, immature ethical cultures in the companies become weaker due to a lack of reinforcement. The companies demand reshaping of these incentives so that they will be integrated into the performance and compensation system which allocates and reinforces ethical behavior.

Finally, the building of well-functioning ethical culture requires that employees be offered well-rounded training opportunities to develop the relevant skills for ethical decision making. This training should reflect the advanced organizational standards and the best practices which, perhaps, could be adopted from industrial leaders. However, all new practices must be adjusted to the Russian traditional social values and the social context. A flexible approach consisting of different levels of ethical education: from beginner to advanced levels is a solution for this task. In addition, monitoring and evaluation are required for its implementation.

Russian government and local authorities

For Russian government and local administrations, the results of this dissertation can assist to better realize the real factors of widespread unethical business behavior in the country. The individual ethics of Russians have resembled the beliefs of many other nations in many respects. However, their behavior in real life has been radically modified by two main factors: the macro business environment and organizational goals and incentives. Thus, there is an urgent need for the re-

shaping of the business environment that should be undertaken at the policy level of the state with assistance of the international organizations such as the PACI and the CoE. The macro business environment in Russia should aim to stimulate responsible entrepreneurship there. Unfortunately, currently, the Russian state has not yet succeeded in this course. Corruption, unclear taxation laws, inefficient systems of state procurement, poor defense of private and intellectual property are among the reasons for an unfavorable business climate there. According to the World Bank report of Ease Doing business in 2014, Russia was ranked the 92th place out of 189 economies. Thus, there is still room for improvement of the business climate and the ethical culture in the country.

6.6. Limitation and suggestions for future research

Potential limitations of the study should be noted from both a methodological and a conceptual point of view. First, social desirability bias is always a factor of conducting research on individuals' attitudes and behavior in relation to ethical issues (Robertson & Ross Jr, 1995). The common effect of social desirability is a refusal of the likelihood of engaging in an unethical activity. It is possible that there was such an effect on the sample of this study. Another important limitation of the study is that it was based on intended behavior and imagined scenarios instead of observation of actual behavior. The real behavior in a specific business setting might be different from the behavior which managers intend to accomplish. However, it is very hard to gain an opportunity to observe actual behavior with relation to ethical issues and, therefore, to overcome this limitation for research (Spicer et al., 2004).

In addition, the limitation of this study is the usage of a new research instrument. The instrument was developed due to a lack of context specific tools relevant for the purpose of this dissertation.⁹ While all its constructs were inspired by existing theoretical and empirical research, and its validity and reliability were well proved, the instrument needs additional adjusting and justification. Taking into account the invalid data obtained for scenario 5, I recommend to cut down one of the scenarios in the questionnaire or to split it, especially in a case of a moderate sample. Another option is to reduce the number of factors either by joining some of them or excluding them completely. Overall, further research could employ the instrument to study ethical standards in other Russian industries. For instance, the instrument has been already successfully used by the Higher School of Economics, National Research University in Moscow to study business ethics in Russia. Another potential avenue is the examination of business ethical beliefs throughout the international world in order to identify cross-cultural peculiarities of ethical decision-making. Furthermore, taking into account that the analysis of the control variable of the present study was restricted due to the sample size, future research with a bigger sample could benefit from extensive analysis of the influence of demographic variables on ethical decision-making.

Another aspect that limits the validity of this study refers to the usage of cross-sectional data. The findings obtained from a cross-sectional survey require caution of their interpretation, especially for

⁹ See discussion on research instruments for transition economics in chapter 2.4.2.

the drawing of causal inferences (Winship & Morgan, 1999). In practice, it means that the relationships established in this dissertation might be influenced by a number of exogenous variables which had been not integrated into the research model. The reported ethical attitudes and the intended behavior might be affected by other individual, organizational and environmental factors. Therefore, further research would benefit from including the analysis of other factors such as family, organizational culture, code of ethics, political structure, etc. One more useful direction for the research is longitudinal and time-series designs focusing on the changing of ethical values and their motives in Russia. The next important aspect that limits obtained findings is that the assumption about causal inferences between ethical attitudes and intended behavior was not made. They were treated as both dependent variables but independent from each other. Additional research is required to test a model with attitude influencing behavior and vice versa (reciprocal causation) and factors influencing both these variables.

The conceptual limitation of this study refers to a manner in which the Integrative Social Contracts Theory was applied. The study focused on local ethical norms and factors influencing them, whereas the testing of local ethical norms against hypernorms was excluded from the scope of the study. By this way, a context-specific component of the theory was employed, while a general (normative) aspect remains unrevealed; it means that a non-integrated usage of the ISCT was conducted (Dunfee, 2006). Future research should try to join together these two concepts of the theory. A possible direction could be an examination of whether the local ethical norms identified in the present study conform to universal hypernorms. Another promising avenue is an investigation of an impact of hypernorms on managerial ethical reasoning in a cross-cultural context. Overall, a small subset of the potential local ethical norms was tested in this dissertation. To shape a valid notion of Russian business ethics, further research should advance the analysis by employing other business cases.

6.7. Concluding remarks

Russian business ethics is new experience for international business. Knowledge of local business norms and practices is critical to achieving success in the country. However, to date, research has hardly advanced our understanding of what ethical norms exist there and their motives. The objective of this study was to fill this research gap by identifying of the local ethical norms and the factors influencing them. The study contributes to our understanding of interplay of the person, the organization, and the environment in present-day Russia. I hope that the findings have shed light on these interesting issues and have had a practical value for companies that meet Russian ethical dilemmas in real business life. Finally, I hope that this study inspires future research to advance our understanding in this emerging field of inquiry.

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Appendices

Appendix A: Letter of Introduction to the organizers of the exhibition for Equipment, Instrument and Tolls for the Metal-Working Industry, 2013

Организаторам и участникам выставки
«Металлообработка-2013»

ЦВК «Экспоцентр», Москва
27 – 31 мая 2013 г.

16 Мая 2013

Любезно прошу Вас разрешить к.э.к.н. Наталье Марковой провести опрос среди участников выставки «Металлообработка-2013» в ЦВК «Экспоцентр», 27 – 31 мая 2013. Наталья работает над докторской диссертацией на тему «Бизнес-этика в России» в университете Санкт-Галлена (Швейцария). Настоящий опрос является частью ее диссертационного исследования.

Буду признателен за оказанное содействие!

С уважением и благодарностью,
Проф. Ульрих Шмид

Декан гуманитарного факультета
Университет Санкт-Галлен (Швейцария)

Appendix B: Survey questionnaire in English

Questionnaire

Scenario 1

A manager of BCR company was responsible for the company’s bid tender application for an infrastructure project. She realized that one of her good friends from school was a member of the tender selection team. She contacted him in order to discuss personally the procurement exercise and the other competitors, and to ask him to favor her company’s bid.

a. Please rate to what extent you agree with the statement.

The decision of the manager to contact a member of the tender selection team in order to ask for support BCR company’s bid is ethically acceptable.

4
3
2
1
 Agree Rather agree Rather Disagree Disagree

b. To what extent do the following factors influence your personal attitude towards the BCR manager’s decision?

Please select the level of influence of each factor.

	4	3	2	1
Factors	Great	Moderate	Little	None
-Personal system of conviction, values, and beliefs				
-Important referents’ convictions, values, and beliefs				
-Business goals of an organization				
-Executive leadership of norms and practices				
-System of reward and sanctions within an organization				
-Economic environment of business operations in Russia				
-Legal regulations and norms in Russia				
-Cultural-social norms in Russia				

Scenario 1

c. If you were the BCR’s manager responsible for the decision, how likely is it that you would contact a member of the tender selection team (your friend) in order to ask for their support in the company’s bid?

- 4
Likely
- 3
Rather likely
- 2
Rather unlikely
- 1
Unlikely

d. If you were the BCR’s manager responsible for the decision, to what extent do the following factors influence the likelihood of your action according to the answer for question c.

Please select the level of influence of each factor.

	4	3	2	1
Factors	Great	Moderate	Little	None
-Personal system of conviction, values, and beliefs				
-Important referents’ system of conviction, values, and beliefs				
-Business goals of an organization				
-Executive leadership				
-System of reward and sanctions in an organization				
-Economic environment of business operations in Russia				
-Legal regulations and norms in Russia				
-Cultural-social norms in Russia				

Scenario 2

Company STR was bidding against a competitor on a contract to supply engineering equipment. A manager was asked by his supervisor for information about the competitor’s bidding strategy and pricing because, before joining company STR, the manager had been a member of the competitor’s team for the same project. The manager had information that could be useful to company STR and his supervisor. He shared that information.

a. Please rate to what extent you agree with the statement.

The decision of the manager to share with his supervisor information about bidding strategy and pricing of his previous company is ethically acceptable.

4 Agree 3 Rather agree 2 Rather Disagree 1 Disagree

b. To what extent do the following factors influence your personal attitude towards the STR manager’s decision?

Please select the level of influence of each factor.

Factors	4	3	2	1
	Great	Moderate	Little	None
-Personal system of conviction, values, and beliefs				
-Important referents’ system of conviction, values, and beliefs				
-Business goals of an organization				
-Executive leadership				
-System of reward and sanctions in an organization				
-Economic environment of business operations in Russia				
-Legal regulations and norms in Russia				
-Cultural-social norms in Russia				

Scenario 2

c. If you were the STR's manager responsible for the decision, how likely is it that you would to share with your supervisor information about the bidding strategy and pricing of your previous company?

4	3	2	1
Likely	Rather likely	Rather unlikely	Unlikely

d. If you were the STR's manager responsible for the decision, to what extent do the following factors influence the likelihood of your action according to the answer for question c.

Please select the level of influence of each factor.

Factors	4	3	2	1
	Great	Moderate	Little	None
-Personal system of conviction, values, and beliefs				
-Important referents' system of conviction, values, and beliefs				
-Business goals of an organization				
-Executive leadership				
-System of reward and sanctions in an organization				
-Economic environment of business operations in Russia				
-Legal regulations and norms in Russia				
-Cultural-social norms in Russia				

Scenario 3

NSHX Company is a middle-scale firm. Because of tax load growth (beyond the company's means), the director of the company made a decision to pay employees' salaries partially as unofficial wages in cash.

a. Please rate to what extent you agree with the statement.

The decision of the director to pay employees' salaries partially as unofficial wages in cash is ethically acceptable.

4	3	2	1
Agree	Rather agree	Rather Disagree	Disagree

b. To what extent do the following factors influence your personal attitude towards the SNSHX director's decision?

Please select the level of influence of each factor.

	4	3	2	1
Factors	Great	Moderate	Little	None
-Personal system of conviction, values, and beliefs				
-Important referents' system of conviction, values, and beliefs				
-Business goals of an organization				
-Executive leadership				
-System of reward and sanctions in an organization				
-Economic environment of business operations in Russia				
-Legal regulations and norms in Russia				
-Cultural-social norms in Russia				

Scenario 3

c. If you were the NSHX’s director responsible for the decision, how likely is it that you would pay employees’ salaries partially as unofficial wages in cash?

- | | | | |
|--------|---------------|-----------------|----------|
| 4 | 3 | 2 | 1 |
| Likely | Rather likely | Rather unlikely | Unlikely |

d. If you were the NSHX’s director responsible for the decision, to what extent do the following factors influence the likelihood of your action according to the answer for question c.

Please select the level of influence of each factor.

	4	3	2	1
Factors	Great	Moderate	Little	None
-Personal system of conviction, values, and beliefs				
-Important referents’ system of conviction, values, and beliefs				
-Business goals of an organization				
-Executive leadership				
-System of reward and sanctions in an organization				
-Economic environment of business operations in Russia				
-Legal regulations and norms in Russia				
-Cultural-social norms in Russia				

Scenario 4

One of STL company’s employees found that her close co-worker put unsubstantiated charges on his expense reports; these were for personal items bought when a co-worker traveled for business. This was not allowed by the company’s policy. The employee did not like to spoil a good relationship with the co-worker. She kept silent and did not report the co-worker to their supervisor.

a. Please rate to what extent you agree with the statement.

The decision of the employee to not report the co-worker to a supervisor is ethically acceptable.

4	3	2	1
Agree	Rather agree	Rather Disagree	Disagree

b. To what extent do the following factors influence your personal attitude towards the STL employee’s decision?

Please select the level of influence of each factor.

	4	3	2	1
Factors	Great	Moderate	Little	None
-Personal system of conviction, values, and beliefs				
-Important referents’ system of conviction, values, and beliefs				
-Business goals of an organization				
-Executive leadership				
-System of reward and sanctions in an organization				
-Economic environment of business operations in Russia				
-Legal regulations and norms in Russia				
-Cultural-social norms in Russia				

Scenario 5

RPK Company intended to buy new equipment. In order to gain a considerable reduction in tax, the director of the RPK Company signed a lease contract instead of a contract of purchase and sale. The lease contract covered the actual purchase of the equipment in the company's ownership.

a. Please rate to what extent you agree with the statement.

The decision of the RPK's director to sign a lease contract instead of a contract of purchase and sale is ethically acceptable.

4	3	2	1
Agree	Rather agree	Rather Disagree	Disagree

b. To what extent do the following factors influence your personal attitude towards the RPK's director decision?

Please select the level of influence of each factor.

Factors	4	3	2	1
	Great	Moderate	Little	None
-Personal system of conviction, values, and beliefs				
-Important referents' system of conviction, values, and beliefs				
-Business goals of an organization				
-Executive leadership				
-System of reward and sanctions in an organization				
-Economic environment of business operations in Russia				
-Legal regulations and norms in Russia				
-Cultural-social norms in Russia				

Scenario 5

c. If you were the RPK's director, how likely is it that you would sign a lease contract instead of a contract of purchase and sale in order to gain a considerable reduction in tax?

4	3	2	1
Likely	Rather likely	Rather unlikely	Unlikely

d. If you were the RPK's director, to what extent do the following factors influence the likelihood of your action according to the answer for question c.

Please select the level of influence of each factor.

	4	3	2	1
Factors	Great	Moderate	Little	None
-Personal system of conviction, values, and beliefs				
-Important referents' system of conviction, values, and beliefs				
-Business goals of an organization				
-Executive leadership				
-System of reward and sanctions in an organization				
-Economic environment of business operations in Russia				
-Legal regulations and norms in Russia				
-Cultural-social norms in Russia				

DEMOGRAPHICS

We ask that you please answer some general questions about yourself. This information will be used for analytic purposes and will not be used to identify you in any way.

Initials: ____

Gender: ____ Male ____ Female

Highest Level of Education Completed:

____ College

____ Unfinished higher education

____ Graduated

Age: ____ 20 or below ____ 21-30 ____ 31-40 ____ 41-50 ____ 51-60 ____ 61+

Length of time with present employer: ____ years ____ months

Position with company:

____ Upper management

____ Middle management

____ Non-Management

Number of employees of the present employer:

____ 1-15 ____ 16-100 ____ 101-250 ____ 251+

The location of the present employer:

____ Central Federal District

____ Volga Federal District

____ Southern Federal District

____ Urals Federal District

____ Siberian Federal District

____ Northwestern Federal District

____ Far Eastern Federal District

____ North Caucasian Federal District

Are there the following shareholders in the company capital?

State or municipalities ____ Yes ____ No

Foreign investors ____ Yes ____ No

Appendix C: Survey questionnaire in Russian

Опрос “Этические взгляды российского бизнеса”

Анкета

Сценарий 1

Менеджер компании БКР была ответственной за заявку компании на участие в конкурентном тендере инфраструктурного проекта. Она узнала, что один из ее старых школьных знакомых является членом конкурсной комиссии тендера. Она связалась с ним для того, чтобы лично обсудить условия и участников конкурса, а также попросить поддержать ее компанию на тендере.

а. Пожалуйста, выразите свое согласие или несогласие со следующим утверждением.

Решение менеджера компании БКР связаться с членом конкурсной комиссии для обсуждения поддержки компании на тендере является *этически допустимым*.

4	3	2	1
Согласен	Скорее согласен	Скорее не согласен	Не согласен

б. Оцените, пожалуйста, влияние следующих факторов на Вашу личную оценку относительно решения менеджера компании БКР.

Пожалуйста, укажите влияние каждого фактора.

Факторы	4	3	2	1
	Наибольшее влияние	Умеренное влияние	Слабое влияние	Нет влияния
-Мои индивидуальные убеждения и ценности				
-Ценности и ожидания людей, важных для меня				
-Бизнес-цели компании, в которой я работаю				
- Поведение и нормы руководства компании, в которой я работаю				
- Система поощрения и наказания в компании, в которой я работаю				
- Экономические условия ведения бизнеса в России				
- Состояние законодательства в России				
- Традиции и обычаи России				

Сценарий 1 (продолжение)

в. Если Вы были бы менеджером компании БКР, ответственным за заявку, какова вероятность того, что Вы связались бы с членом конкурсной комиссии (Вашим старым знакомым) для обсуждения поддержки компании на тендере?

Пожалуйста, укажите степень вероятности.

4	3	2	1
Вероятно	Скорее вероятно	Скорее невероятно	Невероятно

г. Оцените, пожалуйста, влияние следующих факторов на вероятность Вашего поведения в соответствии с ответом на вопрос в.

Пожалуйста, укажите влияние каждого фактора.

Факторы	4	3	2	1
	Наибольшее влияние	Умеренное влияние	Слабое влияние	Нет влияния
- Мои индивидуальные убеждения и ценности				
- Ценности и ожидания людей, важных для меня				
- Бизнес-цели компании, в которой я работаю				
- Поведение и нормы руководства компании, в которой я работаю				
- Система поощрения и наказания в компании, в которой я работаю				
- Экономические условия ведения бизнеса в России				
- Состояние законодательства в России				
- Традиции и обычаи России				

Сценарий 2

Компания СТР конкурировала с другой компанией в тендере на поставку машиностроительного оборудования. В этой связи сотрудник компании СТР был опрошен своим руководителем о стратегии участия в конкурсе компании-конкурента. До работы в компании СТР этот сотрудник работал в конкурирующей компании и участвовал в разработке проектной документации для конкурса. Он располагал нужной информацией и рассказал ее своему руководителю.

а. Пожалуйста, выразите свое согласие или несогласие со следующим утверждением.

Решение сотрудника компании СТР рассказать руководителю информацию о стратегии участия в конкурсе своего бывшего работодателя является *этически допустимым*.

4	3	2	1
Согласен	Скорее согласен	Скорее не согласен	Не согласен

б. Оцените, пожалуйста, влияние следующих факторов на вашу личную оценку относительно решения сотрудника компании СТР.

Пожалуйста, укажите влияние каждого фактора.

Факторы	4	3	2	1
	Наибольшее влияние	Умеренное влияние	Слабое влияние	Нет влияния
-Мои индивидуальные убеждения и ценности				
-Ценности и ожидания людей, важных для меня				
-Бизнес-цели компании, в которой я работаю				
- Поведение и нормы руководства компании, в которой я работаю				
- Система поощрения и наказания в компании, в которой я работаю				
- Экономические условия ведения бизнеса в России				
- Состояние законодательства в России				
- Традиции и обычаи России				

Сценарий 2 (продолжение)

в. Если Вы были бы сотрудником компании СТР, обладающим нужной информацией, какова вероятность того, что Вы рассказали бы руководителю информацию о стратегии участия в конкурсе своего бывшего работодателя?

Пожалуйста, укажите степень вероятности.

4	3	2	1
Вероятно	Скорее вероятно	Скорее невероятно	Невероятно

г. Оцените, пожалуйста, влияние следующих факторов на вероятность Вашего поведения в соответствии с ответом на вопрос **в.**

Пожалуйста, укажите влияние каждого фактора.

Факторы	4	3	2	1
	Наибольшее влияние	Умеренное влияние	Слабое влияние	Нет влияния
-Мои индивидуальные убеждения и ценности				
-Ценности и ожидания людей, важных для меня				
-Бизнес-цели компании, в которой я работаю				
- Поведение и нормы руководства компании, в которой я работаю				
- Система поощрения и наказания в компании, в которой я работаю				
- Экономические условия ведения бизнеса в России				
- Состояние законодательства в России				
- Традиции и обычаи России				

Сценарий 3

Компания НШХ является средним предприятием. Из-за роста пенсионных и социальных отчислений (на пределе финансовых возможностей компании), руководитель принял решение часть заработной платы сотрудников компании выплачивать как неофициальную заработную плату в виде наличных денежных средств.

а. Пожалуйста, выразите свое согласие или несогласие со следующим утверждением.

Решение руководителя компании НШХ выплачивать часть заработной платы как неофициальную заработную плату в виде наличных денежных средств является *этически допустимым*.

4	3	2	1
Согласен	Скорее согласен	Скорее не согласен	Не согласен

б. Оцените, пожалуйста, влияние следующих факторов на вашу личную оценку относительно решения руководителя компании НШХ.

Пожалуйста, укажите влияние каждого фактора.

Факторы	4	3	2	1
	Наибольшее влияние	Умеренное влияние	Слабое влияние	Нет влияния
-Мои индивидуальные убеждения и ценности				
-Ценности и ожидания людей, важных для меня				
-Бизнес-цели компании, в которой я работаю				
- Поведение и нормы руководства компании, в которой я работаю				
- Система поощрения и наказания в компании, в которой я работаю				
- Экономические условия ведения бизнеса в России				
- Состояние законодательства в России				
- Традиции и обычаи России				

Сценарий 3 (продолжение)

в. Если Вы были бы руководителем компании НШХ, какова вероятность того, что Вы приняли бы решение выплачивать часть заработной платы неофициально?

Пожалуйста, укажите степень вероятности.

4	3	2	1
Вероятно	Скорее вероятно	Скорее невероятно	Невероятно

г. Оцените, пожалуйста, влияние следующих факторов на вероятность Вашего поведения в соответствии с ответом на вопрос в.

Пожалуйста, укажите влияние каждого фактора.

Факторы	4	3	2	1
	Наибольшее влияние	Умеренное влияние	Слабое влияние	Нет влияния
-Мои индивидуальные убеждения и ценности				
-Ценности и ожидания людей, важных для меня				
-Бизнес-цели компании, в которой я работаю				
- Поведение и нормы руководства компании, в которой я работаю				
- Система поощрения и наказания в компании, в которой я работаю				
- Экономические условия ведения бизнеса в России				
- Состояние законодательства в России				
- Традиции и обычаи России				

Сценарий 4

Сотрудница компании СТЛ обнаружила, что её хороший коллега внес в авансовый отчет по командировке небольшие расходы на покупку предметов для личных целей. Это запрещено политикой компании. Сотрудница хочет сохранить добрые отношения с коллегой и не рассказывает о данном факте руководству.

а. Пожалуйста, выразите свое согласие или несогласие со следующим утверждением.

Решение сотрудницы компании СТЛ не рассказать о факте расходов на личные нужды в авансовом отчете коллеги является *этически допустимым*.

4	3	2	1
Согласен	Скорее согласен	Скорее не согласен	Не согласен

б. Оцените, пожалуйста, влияние следующих факторов на вашу личную оценку относительно решения сотрудницы СТЛ.

Пожалуйста, укажите влияние каждого фактора.

Факторы	4	3	2	1
	Наибольшее влияние	Умеренное влияние	Слабое влияние	Нет влияния
-Мои индивидуальные убеждения и ценности				
-Ценности и ожидания людей, важных для меня				
-Бизнес-цели компании, в которой я работаю				
- Поведение и нормы руководства компании, в которой я работаю				
- Система поощрения и наказания в компании, в которой я работаю				
- Экономические условия ведения бизнеса в России				
- Состояние законодательства в России				
- Традиции и обычаи России				

Сценарий 4 (продолжение)

в. Если Вы были бы сотрудником СТЛ, какова вероятность того, что Вы *не рассказали бы* руководству о факте присутствия расходов на личные нужды в авансовом отчете своего хорошего коллеги.

Пожалуйста, укажите степень вероятности.

4	3	2	1
Вероятно	Скорее вероятно	Скорее невероятно	Невероятно

г. Оцените, пожалуйста, влияние следующих факторов на вероятность Вашего поведения в соответствии с ответом на вопрос **в.**

Пожалуйста, укажите влияние каждого фактора.

Факторы	4	3	2	1
	Наибольшее влияние	Умеренное влияние	Слабое влияние	Нет влияния
- Мои индивидуальные убеждения и ценности				
- Ценности и ожидания людей, важных для меня				
- Бизнес-цели компании, в которой я работаю				
- Поведение и нормы руководства компании, в которой я работаю				
- Система поощрения и наказания в компании, в которой я работаю				
- Экономические условия ведения бизнеса в России				
- Состояние законодательства в России				
- Традиции и обычаи России				

Сценарий 5

Компания РПК планировала приобрести новое оборудование. В целях существенного снижения налогооблагаемой базы, руководитель компании РПК заключил лизинговый контракт вместо договора купли-продажи. Договор лизинга прикрывает фактическую покупку оборудования в собственность компании РПК.

а. Пожалуйста, выразите свое согласие или несогласие со следующим утверждением.

Решение руководителя компании РПК заключить договор лизинга вместо договора купли-продажи является этически допустимым.

4	3	2	1
Согласен	Скорее согласен	Скорее не согласен	Не согласен

б. Оцените, пожалуйста, влияние следующих факторов на вашу личную оценку относительно решения руководителя компании РПК.

Пожалуйста, укажите влияние каждого фактора.

Факторы	4	3	2	1
	Наибольшее влияние	Умеренное влияние	Слабое влияние	Нет влияния
-Мои индивидуальные убеждения и ценности				
-Ценности и ожидания людей, важных для меня				
-Бизнес-цели компании, в которой я работаю				
- Поведение и нормы руководства компании, в которой я работаю				
- Система поощрения и наказания в компании, в которой я работаю				
- Экономические условия ведения бизнеса в России				
- Состояние законодательства в России				
- Традиции и обычаи России				

Сценарий 5 (продолжение)

в. Если Вы были бы руководителем компании РПК, какова вероятность того, что Вы заключили бы договор лизинга вместо договора купли-продажи в целях налогообложения?

Пожалуйста, укажите степень вероятности.

4	3	2	1
Вероятно	Скорее вероятно	Скорее невероятно	Невероятно

г. Оцените, пожалуйста, влияние следующих факторов на вероятность Вашего поведения в соответствии с ответом на вопрос в.

Пожалуйста, укажите влияние каждого фактора.

Факторы	4	3	2	1
	Наибольшее влияние	Умеренное влияние	Слабое влияние	Нет влияния
- Мои индивидуальные убеждения и ценности				
- Ценности и ожидания людей, важных для меня				
- Бизнес-цели компании, в которой я работаю				
- Поведение и нормы руководства компании, в которой я работаю				
- Система поощрения и наказания в компании, в которой я работаю				
- Экономические условия ведения бизнеса в России				
- Состояние законодательства в России				
- Традиции и обычаи России				

Социально-демографические данные

Пожалуйста, ответьте на следующие вопросы относительно Ваших демографических данных и данных о Вашей компании. Данная информация будет использована исключительно для аналитических целей и не будет использована для идентификации Вашей личности.

Инициалы: ____

Пол: ____ Мужской ____ Женский

Ваше образование:

____ Среднее специальное

____ Незаконченное высшее

____ Высшее

Возраст: ____ 20 и ниже ____ 21-30 ____ 31-40 ____ 41-50 ____ 51-60 ____ 61+

Как долго Вы работаете в Вашей компании: ____ (кол-во лет)

Ваша должность в компании:

____ Высший менеджмент компании (руководство)

____ Средний менеджмент компании (руководство функционального отдела)

____ Служащий

Укажите численность сотрудников Вашей компании: ____ 1-15 ____ 16-100 ____ 101-250 ____ 251 и выше

В каком федеральном округе находится Ваша компания:

____ Центральный федеральный округ

____ Приволжский федеральный округ

____ Южный федеральный округ

____ Уральский федеральный округ

____ Сибирский федеральный округ

____ Северо-Западный федеральный округ

____ Дальневосточный федеральный округ

____ Северо-Кавказский федеральный округ

Есть ли в составе собственников (акционеров) Вашей компании:

Государственные органы или органы местного самоуправления ____ Да ____ Нет

Иностранные инвесторы ____ Да ____ Нет

Appendix D: Cover letter to survey questionnaire in Russian

Опрос

“Этические взгляды российского бизнеса”

Уважаемые участники выставки «Металлообработка 2013»,

Просим Вас принять участие в опросе «Этические взгляды российского бизнеса».

Цель опроса – изучение особенностей организационных практик российских компаний с точки зрения бизнес-этики. Опрос является частью диссертации Натальи Марковой в университете Санкт-Галлен (Швейцария). Вся информация, собранная во время опроса, будут использована исключительно в обобщенном виде в научных целях.

Благодарим за участие в опросе. Ваше мнение очень важно.

Инструкция к анкете:

Все ситуации в анкете являются предполагаемыми действиями российских компаний, работающих на рынке России. Вас просят оценить поведение сотрудников российских компаний. Ситуации основаны на гипотетических обстоятельствах, которые не соответствуют реальным событиям и людям. Опрос не содержит правильных и неправильных ответов. Вам следует ответить на все вопросы, основываясь на Вашем личном мнении. Участие в опросе полностью анонимно. Мы просим указать инициалы исключительно в целях делопроизводства.

Внимание: вопросы анкеты расположены на обеих сторонах листа.

Если Вы хотите получить результаты опроса, пожалуйста, направьте электронное сообщение Наталье Марковой по адресу natalim5@yandex.ru.

Curriculum Vitae

Natalia Markova

Sophie-Taeuber-Str.6, Zurich, CH-8050

+41 76 476 42 83, mail@nataliamarkova.name

Date and place of birth: May 23rd, 1976 in Petrozavodsk, Russia; nationality: Russian

Work experience

- 12/2012-07/2013 **Marketing and Communications Manager**, Frema Swiss AG, Bubikon, Zurich, (woodworking machinery industry), part-time position
- 05/2011-04/2012 **Marketing and Communications Manager**, DEMPI GmbH, Zurich, (construction building industry), part-time position
- 08/2010-05/2003 **Economic analyst**, Department of the State Price Regulation, Ministry of Economic Development, Petrozavodsk, Russia
- 10/1999-04/2002 **Project and Finance Manager**, Non-profit organization “To Children of Karelia”, Petrozavodsk, Russia

Education

- 09/2009-02/2016 **PhD student** of Organizational Studies and Cultural Theory Programme, St.Gallen University, **Research interests:** business ethics, organizational behavior, CSR, **Thesis:** Business ethical norms in Russia, Referee: Prof. Thomas Maak and Prof. Ulrich Schmid
- 09/2001-12/2005 **PhD in Economics**; University of Economics and Finance, St.Petersburg, Russia. Specialization: Social Services, **Thesis:** Social entrepreneurship of non-profits, referee: Prof. Ludmila Khoreva
- 09/1993-06/1998 **Diploma of Higher Education**, Academy of National Economy and Public Administration, Saint-Petersburg, Russia. Specialization: Public Administration

Teaching

- 2005-2008 Lecturer in Management (introductory course), College of Economics and Finance, St. Petersburg, Russia

Languages

Russian, English, German

Presentations at International Conferences

- | | |
|------|--|
| 2015 | International Workshop: The Social Contract in Corporate and Economic Ethics, Granada, May 22-23 |
| 2013 | Society for Business Ethics, Orlando, August 9-11 |
| 2012 | European Business Ethics Network, Barcelona, September 19-22 |
| 2011 | European Business Ethics Network, Doctoral Workshop, Antwerp, September 17-20 |

Awards

- | | |
|------|--|
| 2012 | Hayek Fund, travel grant for Conference of the European Business Ethics Network, Barcelona September 19-22 |
|------|--|

Publications

Monograph

Social entrepreneurship of non-profits in Russia, Dissertation, University of Economics and Finance, St. Petersburg, 2005, pp.209.

Papers

Management and social entrepreneurship of non-profits, Charity in Russia (*Blagotvoritel'nost' v Rossii*), 2005/2006: 282-299.

Work in progress

“Business Ethics in Russia – A Review and Future Discussion”, with Prof. Thomas Maak Head of School Management, University of South Australia

“Business ethical norms in Russia: Integrative Contracts Theory Perspective”, with Dr. Kemi Ogunyemi, Lagos Business School

“Ethical attitudes and behaviors of employees in Russian companies”, with Dr. Cheglakova, Higher School of Economics, Moscow