

ETHICS OF MANAGERS IN SLOVENIAN PUBLIC ADMINISTRATION

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The main purpose of this paper is to examine how managers' personal values and managers' attitudes towards the natural and social environment are shaping the ethics of those same managers in public administration. The findings are based on a sample of 212 managers from Slovenian public administration. Personal values were measured using the Schwartz value survey, while attitudes toward natural and social environment were measured with a validated questionnaire. Results show that managers' self-enhancing values are positively related to their attitudes toward both natural and social environment and their ethics. Managers' self-transcendence values were found to be negatively associated with their attitudes toward the social environment and their ethics. Managers' attitudes toward natural and social environment are both positively related with the managers' ethics. The mediation effect of the attitudes towards the social environment on the relationships between managers' personal values and their ethics is positive and significant. The main cognition is that managers' attitudes towards the social environment are a significantly stronger predictor of managers' ethics than are managers' personal values.

Keywords: attitudes, ethics, managers, natural environment, public administration, Slovenia, social environment, values.

1. INTRODUCTION

Organizations in public administration constantly strive to improve their work and behavior through efficient use of limited public funds and the application of appropriate ethics of public administration (Bossaert & Demmke, 2005; Grimm, 2011; Menzel & White, 2011). Public organizations shape the

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ethics of their work and behavior by means of observing the theoretical requirements of public administration, adherence to legal regulations, and respect for recommendations of corresponding international organizations (Rabin et al., 2006; Bowman & Knox, 2008; Stensota, 2010; Witesman & Walters, 2014).

The extent of ethical orientation of organizations in public administration is determined by several internal and external factors, among which management and public administration authors emphasize the important role of employees' behavior /in shaping organizational ethics (Bossaert & Demmke, 2005; Stackman et al., 2006; Menzel & White, 2011; Ralston et al., 2014). Up to the present, less attention has been devoted to the broader research of factors which shape managers' ethics in public administration organizations. Research which examine the influence of selected key behavioral drivers – such as the influence of personal values on ethical goals of an organization, are rare (Witesman & Walters, 2014).

The main purpose of this study is to examine how managers' personal values and managers' attitudes toward natural and social environment are shaping the ethics of managers in Slovenian public administration. The paper considers the state of managers' values in public administration organizations, examines managers' attitudes towards natural and social environments, and clarifies the influence of managers' personal values on their perceived ethics.

A research model was developed to examine relations between managers' values, managers' attitudes toward natural and social environments, and managers' ethics in public administration. This model was empirically tested using the Schwartz value dimensions (Schwartz, 1992) and a validated questionnaire for the purpose of measuring different aspects of ethics (Furrer et al., 2010; Ralston et al., 2011) on a sample of 212 managers from public administration organizations in Slovenia. From the entire array of public administration organizations in Slovenia we selected those administrative units forming the basic framework that coordinates activities of administrative units in the areas of personnel, finance and organization (MOPA, 2014).

Our focus on administrative units reflects recent aims of governmental policies regarding the improvement of efficiency and sustainability of public administration, since a majority of the latest actions in public administration are — besides focusing on improvement of administrative units work, — also targeted on increasing awareness of more sustainable behavior by employees in

public administration – especially in administrative units (Demmke & Moilanen, 2011; Kovac, 2013).

The paper introduces and validates a conceptual framework that integrates and extends the existing discussions about the factors that importantly influence the ethics of managers in public administration organizations (Van Der Wal et al., 2008). With this paper, we complement copious literature, since our study integrates previous partial cognitions about managers' personal values, influences of personal values on managers' attitudes towards natural and social environments, and influences of personal values and attitudes on development of ethical working style and behavior of managers in public administration organizations. The paper first complements and links dispersed insights into managers' personal values, attitudes towards the environment and the managers' ethics, and, following that, it sheds light on these relations by studying a sample of managers from public administration units, and by empirically testing some proposed hypothetical relations. The paper enhances the understanding of the role of personal values and natural and social attitudes in shaping the ethics of managers in public administration organizations – particularly in administrative units.

Research results are important for further theoretical and practical development of ethics in public administration organizations, especially in administrative units. By introducing relations between drivers of managers' ethics, our research goes beyond the traditional consideration of managers working in public administration organizations. Traditional research was devoted to investigating rational approaches to work limited by legally defined general ethical principles. Our findings should serve as an important basis for defining actions that might lead to an increase in the instances of ethical behavior of managers in public administration.

2. THEORETICAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

Existing studies provide substantial knowledge for constructing a general framework for ethical consideration, criteria for evaluation, and criteria for judgment of managers' ethics in public organizations. The following sections will review literature that provides the rationale for our theoretical model and the underlying hypotheses. Our research of relations between managers' personal values, managers' attitudes towards the social and natural environment, and managers' ethics is based on insights related to the value-attitude-behavior hierarchy, and the relations among these aspects (Rokeach,

1973; Homer & Kahle, 1988; Potocan & Mulej, 2009a) and the use of these cognitions in empirical research in different types of organizations (Nordlund & Garvill, 2002; Papagiannakis & Lioukas, 2012; Opong, 2014; Ralston et al., 2014).

2.1. Managers' attitudes toward the environment and the ethics of managers in public administration organizations

Along with the increasing importance of public administration organizations which crucially determine the realization of demanding goals of Slovenian public administration, there was an increase in the quantity of research into the behavior of those organizations (Van Der Wal et al., 2008; Fiorino, 2010; Witesman & Walters, 2014). Ethics of public administration can be defined in terms of how organizations in public administration ethically respond to internal or external needs – i.e. those needs which are relevant for analyzing the functioning and the behavior of public administration (Jorgensen & Bozeman, 2007; Denhardt & Denhardt, 2009; Kovac, 2013). In that framework, ethics of public administration can be considered as organizational ethics. Thus, ethics of public administration expresses the values of an organization (to its employees and other entities) as generally accepted and valid public duties defined through macro normative and non-normative actions (Moilanen & Salminen, 2006).

A number of studies emphasize the importance of human ethical behavior, which largely influence and define the state of organizational ethics (Davis et al., 2008; Ralston et al., 2011). These studies range from the relationships between personal, group, and organizational behavior characteristics, values, culture, norms and organizational ethics (England, 1967; Rokeach, 1973; Malbašić & Brčić, 2012; Ralston et al., 2014) and relationships between employees' behavior and ethics desired by different types, of organizations (Kemmelmeyer et al., 2002; Ralston et al., 2014): A particular case is ethics of public administration (Lyons et al., 2006; Jorgensen & Bozeman, 2007; Bowman & Knox, 2008).

The rising importance of modern philosophies of 'virtuous' ethical behavior, such as sustainable development and corporate social responsibility, inspired an interest in implementing sustainability principles in public administration as well (Fiorino, 2010; Huh, 2011; Hauptman et al., 2014). In that framework, authors have also reported on the increasing importance of employees' orientation towards the social and natural environment for their

personal ethics, and the influences of these orientations on the ethics of organizations (Dietz et al., 2005; Potocan & Mulej, 2009b; Ralston et al., 2011).

Our research is based on insights into the relationship between characteristics of managers' behavior and managers' ethics, taking into consideration behavior and ethics theories (Schwartz, 2008; Sarotar-Zizek et al., 2013; Malbašić et al., 2014). For the purpose of researching managers' goal-oriented behavior we used about the existing insights into two sets of factors, the first of which defines pro-natural environmental behavior (Kemmelmeyer et al., 2002; Hemingway, 2005; Furrer et al., 2010), and the second factor which defines pro-social environmental behavior (Karp, 1996; Schultz, 2001; Ralston et al., 2011). We define (1) natural responsibility as those organizational actions aimed at preventing environmental degradation, at the minimisation of human impact on nature, and at programs for nature protection (Davis et al., 2008; Furrer et al., 2010) and (2) social responsibility as those organizational measures that significantly contribute to the enhancement of community welfare, as well as measures that contribute to solving social problems, and those that encourage the involvement in philanthropic actions (Davis et al., 2008; Furrer et al., 2010).

In line with our research aims, we consider managers' ethics through their attitudes towards natural and social environments, as well as their personal values, based on value-attitude-behavior hierarchy and the relations between them (Rokeach, 1973; Homer & Kahle, 1988; Schwartz, 2011).

Based on the outlined insights concerning the relationship between attitudes and ethics of managers, we postulated the following hypotheses:

- H1:** The higher the natural environment attitudes of managers, the higher the manager's ethics in public administration.
- H2:** The higher the social environment attitudes of managers, the higher the manager's ethics in public administration.

2.2. Managers' personal values and managers' ethics in public administration organizations

Available discussions in the field of public administration do not provide a clear explanation of the causal relationship between specific types of managers' behavior and managers' ethics in their profession. As we mentioned earlier, personal values of employees appear relevant for the development of ethical behavior.

Personal values can be defined as attitudes that guide our behavior and functioning (Rokeach, 1973; Schwartz, 2008), while several authors have examined the methodological repertoire for the consideration of values (Rokeach, 1973; Schwartz, 1994; Hofstede, 2001). We adopted both the approach and the questionnaire from the Schwartz (1992; 1994) value survey which is frequently used in studies addressing natural and social environmental questions (Karp, 1996; Schultz & Zelezny, 1999; Cirnu & Kuralt, 2013) and we built our examination on findings about the important role of personal values in managers' ethical behavior (Rokeach, 1973; Schwartz, 1992; Stensöta, 2010; Belak & Hauptman, 2011; Ralston et al., 2011).

Research in public administration confirm the impact of personal values on environmental issues. For example, Fiorino (2010) and Witesman and Walters (2014) recognized and defined a set of important factors influencing pro-environmental behavior. Meanwhile, Stensöta (2010) identified several important personal values that influence personal behavior. A number of authors (Lyons et al., 2006; Bowman and Knox 2008; Van der Wal 2008) recognized personal values as an important foundation for encouraging members of organizations towards ethical behavior.

Theoretical studies confirm that ethical behavior of employees and managers is related to the ethics of an entire organization, and stress the importance of managers' personal values for shaping their own and the organizational ethical behavior (Kemmelmeyer et al., 2002; Hemingway, 2005; Ralston et al., 2011; Ralston et al., 2014). Consequently, authors define characteristics and states of managers' personal values, which importantly support the formation of managers' attitudes towards ethical behavior. In recent studies authors mostly use the Schwartz value measurement instrument (Dietz et al., 2005; Cirnu & Kuralt, 2013; Ralston et al., 2014). The situation is the same in the studies of public administration (Jorgensen & Bozeman, 2007; Witesman & Walters, 2014). Schwartz' classification includes three levels of personal values – the individual level, the individual level higher-order dimensions, and the individual-level sub-dimensions of personal values (Schwartz, 2008; Schwartz, 2011).

We consider personal values in terms of the four higher order dimensions of personal values (Schwartz, 1992, 2011), namely:

1. *Self-enhancing values* that emphasize individuals' orientation toward the accomplishment of individual goals, even when achieving individual goals potentially occurs at the expense of others;

2. *Self-transcending values* that trigger actions aimed at understanding, appreciation, tolerance, and protection of the welfare of all people and nature;
3. *Openness to change* emphasizes people's motivation to follow intellectual and emotional interests in unpredictable and uncertain ways;
4. *Conservatism* emphasizes people's motivation to preserve the status quo, and conservatism provides certainty in relationships with others, institutions, and traditions.

The early research in public administration organizations emphasized correlations between employees' and especially the manager's personal values and the ethical orientation of organizations (Moynihan, 2005; Lyons et al., 2006; Dragos, 2011). Empirical studies found correlations between several values in organizations and ethically-oriented behavior of organizations (Stackman et al., 2006; Bowman & Knox, 2008; Van Der Wal et al., 2008; Vigoda-Gadot & Meiri, 2008). Several studies found that personal values importantly and directly influence the manager's ethics in public administration and, in turn, on ethics of an entire organization (Jorgensen & Bozeman, 2007; Stensota, 2010; Witesman & Walters, 2014). Based on the above outlined findings, we postulated the following hypotheses:

H3: Managers' personal values significantly predict their ethics in public administration organizations.

In line with the studies mentioned above, concerning personal values and findings about association between values and attitudes (Rokeach, 1973; Homer & Kahle, 1988), we propose the following hypotheses:

H4: Managers' personal values significantly influence their attitudes toward natural environment.

H5: Managers' personal values significantly influence their attitudes towards social environment.

Along with the studies emphasizing the influence of a hierarchy of values, attitudes and ethics on behavior (Homer & Kahle, 1988), some researchers emphasize that the manager's personal values can also indirectly influence their ethics (Van Der Wal et al., 2008; Stensota, 2010; Witesman & Walters, 2014). Some studies found that the attitudes of employees or the manager towards ethical goals mediate the effect of personal values on their ethics in organizations in public administration (Grimm, 2011; Witesman & Walters, 2014). Based on that, we propose the following hypotheses:

H6: Managers' attitudes towards natural environment mediate the effect of personal values on the manager's ethics in public administration organizations.

H7: Managers' attitudes toward social environment mediate the effect of personal values on their ethics in public administration organizations.

3. METHODS

3.1. Sample and procedure

Sampling was based on the Slovenian central directory that lists Slovenian ministries and organizations in public administration. In the frame of the entire array of public administration entities, we focused on all of the administrative units. In Slovenia we have 58 basic administrative units, which are further divided into more than 300 sub-units. Among those, we selected 250 units, since we excluded units employing less than 10 people. An online survey was done. For each of the selected units, we selected four direct email contacts from their employees in managerial positions. We sent a link to our online survey to email addresses of 1000 managers at various positions in 250 selected public units in Slovenia. The sample for this study contains 212 answers from managers in Slovenian public administration units, obtained in 2013. Response rate was 21.2 %. The response rate is comparable to studies about ethics of managers in business organizations and public administration, where response rate obtained was between 10 and 20% (Furrer et al., 2010; Demmke & Moilanen, 2011; Ralston et al., 2014) or an even lower 6.77 % response rate obtained in one study of Slovenian public administration (Jelovac et al., 2011).

Sample demographic characteristics reveal the following data: There are 18.9% male members and 81.1% of female members of public administration organizations. Respondents' average age is 41.20. They have, on average, 18.08 years of work experiences. 30.2% of the respondents finished high school, while 63.2% obtained a bachelor's degree and 6.6% a master's degree. 59% of the participants work in public administration organizations employing less than 50 employees, 34.4% in organizations employing 50 to 250 employees, and 6.6 % in organizations employing more than 250 employees. Our sample reflects the actual situation in administrative units and sub-units splendidly, since the proportion of female staff in administrative units and subunits is 82.2% (MOI, 2014), while in our sample share the share of female staff is an almost identical 81.1%.

3.2. Measures

Managers' personal values were measured using the Schwartz value survey (SVS) (Schwartz, 1992). The importance of each personal value was measured on a 9-point Likert-type scale, ranging from "opposed to my values" (-1) to "of supreme importance" (7). The SVS consists of 56 single personal values that represent 10 sub-dimensions, which are used to form a set of four higher-order dimensions, namely openness to change ($\alpha=0.649$), self-transcendence ($\alpha=0.850$), self-enhancement ($\alpha=0.809$), and conservatism ($\alpha=0.834$). Defined individual level high-order dimensions have been confirmed as a reliable measurement of personal values on Slovenian samples (Potocan & Mulej, 2009b; Cirnu & Kuralt, 2013). Ralston et al. (2011) reported Cronbach's alpha coefficients ranging between 0.74 and 0.82.

The ethics level of managers in public administration is measured as perceived by the managers themselves on a self-assessment basis, during which they assess selected components of ethical behavior (Ralston et al., 2011). Items measuring managers' ethics are measured with a 9-point Likert-type scale, ranging from "strongly agree" (1), to "strongly disagree" (9). Managers' ethics is measured using these statements (Ralston et al., 2011): (1) In my actions I always adhere to the principles defined by the regulatory system, (2) I give priority to ethical principles over economic goals, (3) I refrain from bending the law, even if doing so could improve performance, and (4) I strive to train organizational employees to act within the standards defined by the law. Cronbach alpha for the construct is 0.767.

Managers' attitudes towards the natural and the social environment are measured as the managers' perception about the activities of their organizations in terms of the natural environment of their organization and society. Actions determining those attitudes are measured on a 9-point Likert-type scale, ranging from "strongly agree" (1), to "strongly disagree" (9). Manager's attitudes toward natural environment are measured using these statements (Furrer et al., 2010): (1) As a manager I wish to prevent environmental degradation caused by pollution and depletion of natural resources, (2) As a manager I strive to adopt formal programs to minimize the harmful impact of organizational activities on the environment, (3) As a manager I always try to minimize the environmental impact of all organizational activities, and (4) As a manager I assume total financial responsibility for environmental pollution caused by our business activities. Cronbach alpha for the construct is 0.779. Manager's attitudes towards social environment are measured using the following statements (Furrer et al., 2010): (1) As a manager I allocate some of organizational resources to

philanthropic activities, (2) As a manager I contribute actively to the welfare of our community through organizational actions, and (3) As a manager I help to solve social problems. Cronbach alpha for the construct is 0.721. In terms of identifying multi-collinearity between managers' ethics, their attitudes towards natural and social environment, and their personal values, the "tolerance values" are greater than 0.396 and VIF values range between 1.000 and 2.587. Tolerance values greater than 0.10 and the VIF values less than 10 are all acceptable (Ho, 2006). Thus, multicollinearity does not seem to be a problem in our hierarchical regression analysis.

3.3. Research design

In line with the research aims, we first analyzed the impact of managers' attitudes toward natural and social environments on their ethics. Next, we analyzed the direct impact of four individual level high-order dimensions of managers' personal values on their ethics and their attitudes toward the environment. Finally, we examined the mediation effect of managers' attitudes toward natural and social environment on the association between managers' personal values and their ethics. A hierarchical regression analysis was used for examining these correlations. The research model for the outlined research steps is depicted in Figure 1.

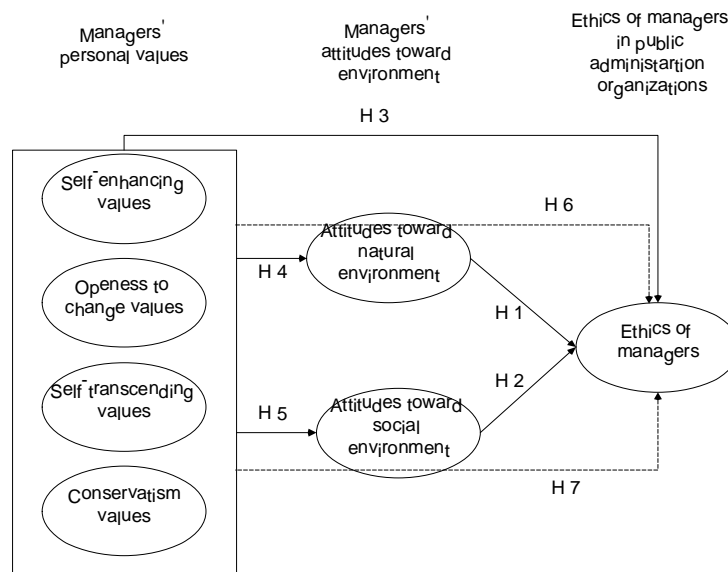


Figure 1. Research model

4. RESULTS

Correlations between variables of interest reveal that managers' personal values and managers' environmental attitudes are indeed associated with managers' ethics. Means, standard deviations and correlations for the variables in the study are outlined in Table 1.

Table 1. Descriptive statistics and correlations between variables

Variable	Mean	SD	1	2	3	4	5	6	7
Self-enhancing	3.96	1.03	1						
Openness to change	4.22	0.98	.704**	1					
Self-transcending	5.25	0.81	.247**	.375**	1				
Conservation	4.49	0.93	.362**	.302**	.757**	1			
Natural environment	2.53	1.43	.347*	-.167	-.224	-.018	1		
Social environment	2.90	1.48	.335*	-.198	-.258**	-.071	.595**	1	
Ethics of managers	2.55	1.40	.248*	-.108	-.235**	-.057	.478**	.645**	1

Notes: ** $p < 0.001$, * $p < 0.05$; sample size is 212.

These findings suggest a need for deeper examination of the associations between managers' personal values, their attitudes towards environment and their ethics. In terms of the impact of managers' attitudes toward the environment on their ethics, results reveal that both managers' natural ($\beta = 0.478$, $t = 7.773$, $p < .001$) and social attitudes towards the environment ($\beta = 0.645$, $t = 12.250$, $p < 0.001$) are significantly associated with managers' ethics. In terms of explanatory power, managers' attitudes toward the natural environment accounted for 22.8% of the variance in managers' ethics, while managers' attitudes toward the social environment accounted for 41.6% of the variance in managers' ethics. Thus, association of managers' attitudes toward natural environment with managers' ethics shows that the more managers exhibit concern for the natural environment, the higher is the level of their perceived ethics. These findings support hypothesis 1. Furthermore, the association of managers' attitudes towards social environment with their ethics shows that the more managers are concerned about the society, the higher is their perceived ethics. This is consistent with hypothesis 2.

The considered dimensions of managers' personal values were significantly correlated with their perceived ethics. Managers' personal values

explain 9.7% of the variance in their ethics. Results of the regression analysis reveal that self-enhancement ($\beta = 0.248$, $t = 2.228$, $p < .05$) and self-transcendence values ($\beta = -0.235$, $t = -2.015$, $p < .05$) are significant but inverse predictors of managers' ethics. This means that the higher the managers' emphasis on self-interest, the lower their ethics level is. On the other hand, managers that strive to promote welfare of others, will have higher level of ethics than those promoting self-interest. The impact of the other two dimensions of values on shaping managers' ethics, openness to change ($\beta = -0.108$, $t = -0.966$, $p > .05$) and conservative values ($\beta = -0.057$, $t = -0.486$, $p > .05$) is insignificant. Based on the significant impact of self-enhancement and self-transcendent values on shaping managers' ethics we find support for hypothesis 3. On the other hand, based on the insignificant impact of openness to change and conservative values on shaping managers' ethics we reject hypothesis 3.

In terms of the impact of four considered dimensions of managers' personal values on their environmental attitudes, personal values explain 10.8% of the variance in managers' attitudes toward the natural environment, and 14.1% of the variance in managers' attitudes toward the social environment. Results reveal that managers' self-enhancing personal values ($\beta = 0.347$, $t = 3.137$, $p < .05$) significantly shape their attitudes toward the natural environment. This means that the more managers strive to promote self-interest, the less favorable are their attitudes toward natural environment. Other value dimensions —namely, openness to change ($\beta = -0.167$, $t = -1.506$, $p > .05$), self-transcendence ($\beta = -0.224$, $t = -1.927$, $p > .05$), and conservative values ($\beta = -0.018$, $t = -0.158$, $p > .05$) – are not significant predictors of managers' attitudes toward the natural environment. The significant impact of managers' self-enhancement values on their attitudes toward the natural environment support hypothesis 4. Contrary to that, based on insignificant impact of self-transcendence, openness to change and conservative values on managers' environmental attitudes we reject hypothesis 4.

Turning to the impact of four considered dimensions of managers' personal values on their attitudes toward social environment, self-enhancement ($\beta = 0.335$, $t = 3.094$, $p < .05$) and self-transcendence ($\beta = -0.258$, $t = -2.271$, $p < .05$) values significantly influence managers' attitudes toward the social environment. The results show that the more managers strive to promote self-interest, the less favourable their attitudes are towards social environment. Moreover, the more managers strive to promote welfare of others, the more concerned their attitudes are towards social environment. The remaining two dimensions of values, openness to change values ($\beta = -0.198$, $t = -1.826$, $p >$

.05) and conservative values ($\beta = -0.071$, $t = -0.625$, $p > .05$) are not significant predictors of managers' social attitudes. Based on the significant impact of managers' self-enhancement and self-transcendence values on their attitudes toward social environment, we find hypothesis 5 to be supported by our findings. Meanwhile, based on the insignificant impact of openness to change and conservation values on managers' social attitudes we reject hypothesis 5.

The findings about the significant impact of managers' attitudes towards the environment and their personal values on their ethics, as well as the significant impact of personal values on managers' environmental attitudes, suggest the examination of the mediation (Baron & Kenny, 1986) role of managers' attitudes towards the natural and social environment on the association between managers' personal values and managers' ethics.

For the purpose of this study, hierarchical regression analysis was used. The first step summarized the results already outlined above – the entry of personal values, while step 2 represents the entry of the mediator variable, namely, managers' attitudes towards natural and social environment.

The results show that the impact of managers' personal values on their perceived ethics accounted for 9.7% of the variance in managers' ethics. The entry of two mediator variables increased the explained variance in managers' ethics by 32.8%, to a total of 42.5%.

The ANOVA results revealed that managers' personal values yielded a significant influence on the managers' ethics $F(4,165) = 4.419$, $p < 0.05$. The addition of two mediator variables revealed that natural and social attitudes have significant influence on the ethics of managers in public administration thus mediating the relationship between managers' personal values and ethics of managers in public administration; $F(6,163) = 20.040$, $p < 0.001$.

In this context, it is evident that social environment significantly mediates the relationships between managers' personal values and their ethics ($\beta = 0.567$, $t = 7.260$, $p < 0.001$), while the mediation effect of the natural environment attitudes is insignificant ($\beta = 0.080$, $t = 1.048$, $p > 0.05$). Table 2 summarizes the results of the hierarchical multiple regression analysis for the ethics of managers in public administration. Based on these findings, we reject hypothesis 6 and support hypothesis 7.

Table 2. Results of hierarchical multiple regression analysis for ethics of managers in public administration organizations

Variable	Step1		Step 2	
	β	t	β	t
Self-enhancing	0.248	2.228*	0.032	0.347
Openness to change	-0.108	-0.966	0.018	0.195
Self-transcending	-0.235	-2.015*	-0.069	-0.719
Conservation	-0.057	-0.486	-0.016	-0.173
Natural environment			0.080	1.048
Social environment			0.567	7.260**
F	4.453*		20.040**	
R ²	0.097		0.425	

Notes: ** $p < 0.001$, * $p < 0.05$; β is standardized beta coefficient; sample size is 212.

5. DISCUSSION

The main purpose of this investigation was to examine the influence of managers' personal values and managers' attitudes towards both natural and social environment on managers' ethics by studying a sample of managers from public administrative units in Slovenia.

It is evident that managers' attitudes towards natural and social environment are significantly associated with the manager's perceived ethics. These findings are in line with several studies in public administration literature concerning the importance and influence of employees' and managers' attitudes on shaping their ethics and, in turn, on ethics of public administration (Bossaert & Demmke, 2005; Denhardt & Denhardt, 2009; Stensota, 2010). Works discussing the relationship between employees' attitudes toward society goals and ethics of organizations are commonplace (Bowman & Knox, 2008; Grimm, 2011; Menzel & White, 2011).

Among reasons for dominance of mentioned studies are frequently emphasized following: 1) a presumption that an organization which realizes the essential general goals of society simultaneously realises specific goals of a society as well (Bossaert & Demmke, 2005; Huh, 2011), 2) an accordance is presumed between the organizations' and employees' attitudes towards natural and social environments (Nedelko & Potocan, 2014), and 3) similarity between consideration of social and environmental goals, which was established in researches of public administration (Rabin et al., 2006). Reasons for this include: 1) a presumption that an organization which realizes the essential general goals of society simultaneously realises specific goals of a society, 2) an

accordance is presumed between the organizations' and employees' attitudes towards natural and social environments, and 3) similarity between consideration of social and natural environmental goals was established in earlier researches of public administration.

Evidence about the association between managers' attitudes toward natural and social environment and their ethics in public administration is limited in the available literature. Regardless of that, some studies on public administration, which compare employees' attitudes in organizations from both the private sector and the public sector, confirm our results about the importance of managers' attitudes towards both natural and social environment in shaping ethics of managers in public administration organizations (Lyons et al., 2006; Van Der Wal et al., 2008; Stensota, 2010; Lee, 2011).

In terms of direct and indirect influences of managers' personal values on their ethics, our results about direct influences of managers' personal values on their ethics match insights from different studies about ethics of managers in business organizations (Kemmelmeyer et al., 2002; Dietz et al., 2005; Ralston et al., 2011), which confirm the impact of personal values on ethics of organizational members (e.g. mostly employees and managers). On the other hand, this relation is rarely examined in the public administration context. There are few instances of research about direct influences of personal values on ethics of managers and/or employees in public administration studies which examine only public organizations, or those that examine organizations from private sector and public sector theoretically, emphasize the impact of employees' personal values on shaping their own as well as the organizational ethics (Kakabadse et al., 2003; Lyons et al., 2006; Van Der Wal et al., 2008; Vigoda-Gadot & Meiri, 2008) and are, thus, in line with our findings about the importance and significant influence of managers' personal values on shaping their ethics. Empirical findings about direct influences in our study are difficult to compare with results of other studies in public administration because authors use different approaches for their consideration in their studies. Even authors which apply the same theoretical framework – for instance the Schwartz value system — target their research on different levels of personal values – e.g. see Jørgensen and Bozeman (2007).

Again, Witesman and Walters (2014) developed a new public service values framework based on Schwartz's (1992) original model by incorporating several value dimensions applicable to public administration. A detailed comparison is much more complex or even impossible, since new values are introduced. Thus, despite various different approaches used, we can summarize

that employees' personal values do influence the ethics of organizational members, as well as those of managers. We did find some evidence in public administration literature, which theoretically supported and empirically partly confirmed our result about direct influences of personal values on managers' ethics or managers' attitudes toward social and natural environments (Jorgensen & Bozeman, 2007; Stensota, 2010; Witesman & Walters, 2014).

In terms of influence of personal values, self-enhancing values have the strongest impact on shaping managers' ethics, since they shape it both directly and indirectly, through managers' attitudes towards social environment. The dominant influence of self-enhancement values is in line with previous findings which put in the forefront community values, which are, according to Witesman and Walters (2014), a part of Schwartz's (1992) self-transcendence dimension that promotes the welfare of others and nature. Thus, we found that the more managers strive to promote the welfare of others and nature, the higher the level of their ethics is. This is in line with the findings of Witesman and Walters (2014) regarding the importance of sustainability for public administration.

In terms of the mediating role of managers' attitudes towards both natural and social environment, in the relationship between personal values and their perceived ethics, it is evident that managers' attitudes towards social environment significantly mediate the relations between managers' personal values and their ethics, while the impact of natural environment is insignificant. This reflects that attitudes, derived from personal values, have stronger influence on peoples' behavior or their behavioral intentions than the values themselves (Rokeach, 1973; Karp, 1996). For instance, several studies in public administration outlined the importance of employees' attitudes and their significant role on the behavior of employees or managers (Ko & Smith-Walter, 2013).

Ethics of managers in public administration is more significantly influenced by their social attitudes than by their concern for the natural environment. This suggests that responsibility of managers in public administration organizations is mainly aimed at or related to the social aspect. The main reason lies in the nature of their industry and orientation, since we are dealing with service-oriented public organizations. Thus, the dominant impact of managers' social attitudes on their ethics in public administration is in line with research confirming that public administration (or non-profit organizations) have limited possibilities of influencing their behavior and generally on behavior towards the natural environment in comparison to the for-

profit or even production oriented companies (Lyons et al., 2006; Van Der Wal et al., 2008).

In terms of assessing of the degree of influence of managers' personal values and their environmental attitudes on their perceived ethics, the main conclusion is that managers' attitudes toward social environment are a significantly stronger predictor of the ethics of managers in public administration than their personal values.

6. IMPLICATIONS

The study we presented in this paper has important implications, which are applicable in similar economies in Central and East Europe. In terms of theoretical implications, the most important one is that our insights may represent an important starting point for designing and realigning future policies and goals of organizations in Slovenian public administration. In terms of conceptual applications, the obtained results support the hypothesis about the mediating role of managers' attitudes towards the social environment on the relationship between managers' personal values and their perceived ethics in public administration organizations.

Results emphasized the importance of behavioral drivers for ethical behavior. In accordance with that, stronger emphasis must be placed on social aspects of organizational ethics, and especially on the natural aspect — which is currently undervalued. In accordance with that, stronger emphasis must be placed on social aspects of organizational ethics, and especially on the natural aspect — since concern for natural aspect of organizational ethics is currently undervalued. Decisions of organizations in public administration importantly influence the natural environment, but this component is often disregarded as a less important criterion in decision-making processes by managers.

Our findings also expose the importance of the behavioral dimension. This is a crucial area of investigation, both within the scope of social as well as natural environment, and for finding the necessary balance between different goals of organizations in public administration.

In terms of practical implications, the influence of managers' personal values and the mediating role of their attitudes toward both the natural and social environment on their ethics must be addressed when deciding about organizational ethics in these organizations since managers shape organizational ethics.

First, the educational systems – e.g., university courses in Economics, Business Studies, and public administration, as well as various business schools need to incorporate these findings into their curricula. Recent findings enable them to rethink and innovate their curricula, in order to create awareness of the mechanism that influences ethical orientation of organizations in public administration. Thus, future education must incorporate and emphasize the role of social and natural environment in ethics in public administration.

Second, findings of this research should be incorporated into in-house training programs within companies, similar to those offered in in-service training of managers in public administration. In order to further increase ethical behavior, organizations should devote more attention to the development of managers' personal values in the organizational socialization process. Due to the strong influence of self-transcendent and self-enhancement values on their ethics, its organizations can incorporate policies to emphasize self-transcending values, and to reduce the impact of those self-enhancing values, that emphasize individuals' self-interest. Additionally, special attention must be given to the issues that negatively influence or hamper further development of managers' ethics in public administration.

Third, the findings outlined in this paper will serve as an important starting point for preparing actions for increasing ethical behavior of managers in public administration, especially managers of administrative units. Thus, our insights could be applied in the process of improving normative regulations for ethical work and behavior of administrative units, i.e., code of ethics, internal regulations, etc.

7. LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

This paper has some limitations. First, personal values are considered as four individual level high-order dimensions of personal values, according to the Schwartz typology (Schwartz, 1992). In terms of future research, managers' personal values can be extended to ten motivational types of values, as proposed by the Schwartz typology. Second, we suggest adding new value dimensions to the original list of Schwartz values such as those proposed by other researchers in the area of public administration. For instance, Witesman and Walters (2014) added the sustainability value, which was placed in a new category named community. Third, this study considered a homogeneous sample of managers in selected organizations in Slovenian public administration. To enhance the understanding of the acquired findings we are planning to include organizations from the "para-public sector" in Slovenia in our next research. Fourth, response

rate in our survey is lower than the social science research recommendations, where a response rate of 50% is regarded as satisfactory (Babbie, 1973; Kidder, 1981; Baruch, 1999). On the other hand, our response rate was higher than response rates reported in previous studies, including studies of public administration (Jelovac et al., 2011; Kovac, 2013), which indicates that low response rates are common in studies on public administration. A response rate about 10% could be considered satisfactory. For instance, Jelovac et al. (2011) report a response rate of 6.77% from persons in public administration in Slovenia. Next, the study of European Institute of public administration about the state of public administration in EU member states (including Slovenia) also achieved a response rate below 10 percent (Demmke & Moilanen, 2011). Some eminent researchers do not report the response rate (Lyons et al., 2006; Jorgensen & Bozeman, 2007). Furthermore, a business research about personal values, attitudes and ethics reported response rates lower or similar to ours in their studies, with lowest at about 15% (Furrer et al., 2010; Ralston et al., 2011; Papagiannakis & Lioukas, 2012). Therefore, since these results are based on lower response rates, a degree of caution is required when generalizing about the results of this study.

Fifth, typically for online surveys, they are much less likely to achieve response rates as high as surveys administered on paper (Nulty, 2008). For instance, Nulty (2008) considers an online response rate higher than 20% acceptable — so our response rate (i.e. 21.2%) satisfies this condition. Sixth, focus in this study is on administrative units, which represent the central structure for state services to citizens and represent a part of the entire public administration. Female employees make up a vast majority in the administrative units in Slovenia (e.g. 81.1%) (MOI, 2014); our sample has an almost identical composition. Finally, the minor limitation is related to the self-assessment approach used for obtaining manager's answers, due to the possible effect of self-assessment on the results. Self-report methodologies are a primary source of data in psychology and especially in social sciences, despite a possible influence of participants' self-reporting on their answers and later on results (Schwartz, 1999; Razavi, 2001). In that frame, self-assessment approach is used in empirical research about values, attitudes, behavior and ethics (Karp, 1996; Furrer et al., 2010; Sarotar-Zizek et al., 2013; Ralston et al., 2014), as well as in studies dealing with public administration (Moilanen & Salminen, 2006; Jelovac et al., 2011). Studies mentioned here do not consider the use of self-assessment approach as an important limitation nor as a factor that might have an important influence on results.

There are several directions for future research. The first one is to examine relationships between managers' personal values, their ethics, their attitudes toward natural and social environment of organizations, and organizational ethics in public administration — and also in for-profit organizations. A comparison would reveal whether there are differences regarding these relations in public organizations and for-profit organizations, under high pressure for economic results. Second, examining the relations in different cultural settings will clarify the impact of cultural differences, and it will shed light on the degree of influence of personal values and attitudes. Third, different sub- or higher-ordered dimensions of Schwartz value survey for testing impacts of personal values on personal and organizational ethics and on managers' attitudes towards natural and social environment should be further examined.

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MENADŽERSKA ETIKA U SLOVENSKOJ JAVNOJ ADMINISTRACIJI

Sažetak

Temeljni cilj ovog rada je utvrditi kako osobne vrijednosti menadžera u javnoj administraciji i njihovi stavovi prema prirodnom i društvenom okruženju djeluju na stvaranje njihove etike. Rezultati su dobiveni na temelju uzorka od 212 menadžera u slovenskoj javnoj administraciji. Osobne su vrijednosti mjerene uz pomoć Schwartzovog anketnog upitnika o vrijednostima, a stavovi prema prirodnom i društvenom okruženju pomoću drugog, prethodno validiranog upitnika. Rezultati

pokazuju da su vrijednosti, usmjerene na povećanje vlastitog dobra/interesa, pozitivno povezane sa stavovima o prirodnom i društvenom okruženju te s etikom. Stavovi o društvenom okruženju i etici su, pak, negativno povezani s vrijednostima, usmjerenim na povećanje dobra/interesa drugih. Sami su stavovi o prirodnom i društvenom okruženju pozitivno povezani s menadžerskom etikom, a medijacijski efekt stavova o društvenom okruženju na odnos između osobnih vrijednosti i menadžerske etike je pozitivan i signifikantan. Stoga se zaključuje da su menadžerski stavovi o društvenom okruženju signifikantno značajniji prediktor menadžerske etike od osobnih vrijednosti menadžera.

