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ENTREPRENEURIAL ETHICS BASED ON GENDER AND DRAFTING THE CODE OF THE ETHICS, CASE OF POLOG REGION

Atixhe MAKSUTI^{1*}, Selajdin ABDULI^{1*}

¹South East European University

*Corresponding author email: aa12961@seeu.edu.mk, s.abduli@seeu.edu.mk

Abstract

In this time of transition and successive changes, the chances of survival of new businesses are small, so the involvement of ethical rules gives the opportunity to develop creatively as well as facing or overcoming the challenges faced by any enterprise. The main parts of the paper are: Introduction, Literature Review. Research methodology, Research Results, Recommendation. Recently, numerous research on global development trends shows a permanent increase of entrepreneurship led by women, where they are gradually showing positive results and observance of rules within the organization, so the research emphasizes this feature to see development trends between the genders in entrepreneurship in the Polog region.

From this research we will find out who most applies ethical rules during leadership women entrepreneurs or men, what are the ethical rules that are mostly applied and the observance of these rules in the right way, how much the code of ethics is drafted, what are the advantages, perceptions and gender-competitive advantages in entrepreneurship.

In the literature section we see how these concepts are perceived by the world by different authors and how ethics and its principles are involved in business.

The paper uses quantitative research methods where data are primary and are obtained directly from enterprises through questionnaires.

The result and testing of the hypotheses gives us a clearer picture of what is intended to be achieved through this research.

Keywords: Ethical Responsibility, Gender Differences, Entrepreneurship, Code of Ethics

Introduction

The main discussion in this research is entrepreneurial ethics and gender differences focused on the Polog region. The link between ethics and entrepreneurship turns out to be a necessity of the current market. The development of small and medium-sized businesses under the influence of internal and external factors to work and operate in a wider market must meet a set of standard rules, values and principles that are defined by the enterprises themselves. The main role in this case touches on entrepreneurs who must draft the Code of Ethics and be approved by the unity within the organization to achieve the set priority.

Achieving the priorities in this topic has been realized through market research in the Polog region, mainly through questionnaires that have been distributed to small and medium enterprises to have a clearer picture of the current situation and the realization of ways to involve strategies. methods to conclude how to act in this regard.

Polog region, gives the opportunity and space to elaborate a study from which we will have a result and will enable the contribution to businesses to engage in respecting the ethical rules and drafting the code of ethics. One of the first stages according to Baron and Henry (Baron R.A and Hanry R.A, 2011) is the motivation as a key factor of the individual that leads to entrepreneurship, so this point should be analysed in the light of global development trends where the permanent growth of women-led entrepreneurship is seen. According to (Baron

R.A and Hanry R.A, 2011) there are a number of individual reasons that lead women to be entrepreneurs, they are the reasons for self-realization, reasons for financial success, innovation and independence as opposed to men where they find motivation in financial success and innovation where all these factors lead to the individual ethics of entrepreneurs to achieve the primary goal in business management.

Given the circumstances of the space chosen for research, the hypothesis is that small and medium enterprises in the Polog region do not have a code of ethics and do not practice written rules for business performance. Therefore, this research is about what are the differences between the sexes in entrepreneurship when applying ethical rules within the enterprise.

With Ho we denote the Zero Hypothesis while with H1 we denote the Alternative Hypothesis.

Zero hypothesis is that enterprises in the Polog region do not have a code of ethics for business performance, with a special emphasis on women-led enterprises

While the alternative hypothesis is the opposite of the Zero hypothesis.

At the end of this study, we will be able to get feedback on the current entrepreneurship market and answer three research questions:

Research questions:

1. What are the ethical responsibilities of entrepreneurs?
2. Are there gender differences among business owners in whether they have written code of ethics, how much they are committed to it and what is their perception about it?
3. Their commitment to the Code of Ethics and benefits

Literature review

Before starting to operate a small business, many dilemmas and questions are to what will be the way of organizing the business? From all the data in small businesses there is no organizational structure as it is all built by the owners of the organization, so the owners of the small business are the entrepreneurs they accept the risk, organize and manage all spheres of their business considering both internal and external factors.

Entrepreneurship is defined as the process of discovering opportunities and development to create value in the organization (Fisscher, O., Frenkel, D., Lurie, Y., & Nijhof, A, 2005) Entrepreneurs are the embodiment of the market process, because just as we know without them market theory could not exist. According to Casson (Casson, 2003) there are two types of approaches to defining entrepreneurship

1. The Functional Approach to the Entrepreneur says: An entrepreneur is defined by the function he performs as an entrepreneur. So, an entrepreneur is what an entrepreneur does.
2. The Indicative Approach offers a description of the entrepreneur with whom he can be acquainted, where in recent years' entrepreneurship by women is increasing. This increase is also seen in our country based on statistical data of the Republic of North Macedonia in the total percentage of women. Entrepreneurship in 2018 was 21.1% (28 089) while in 2019 there is an increase of 2.1% of women entrepreneurs (23.2%) 29198 compared to the total number which is a total of 125885 employers (stat.gov.mk, 2021). Permanent increases even of women entrepreneur's research can be elaborated between how ethics or code of ethics is practiced by entrepreneurs based on gender differences

Women entrepreneurs find it difficult to balance work and family, so you need a set of set rules to plan and achieve your goals.

Define ethics and its role

Ethics is an essential part of every human being that is necessary and acceptable in every action we take. Ethics is found within every individual, so its importance becomes greater day by day as it has to do with the current that we face every day in every action. Managers face ethical issues in every day of their lives (Jamnik, 2011).

Ethics is defined in different ways. It was first used in the Greek language where Aristotle is considered the father of ethics and later followed by other philosophers giving a more detailed meaning to the word ethics. According to Frankena (Frankena, 1973) ethics means a set of rules, principles, values that determine what is right and what is not right. A few years ago, sociologist Raymond Baumhart (Mark Velasquez and Patrick T. Hester, 2013) asked people what Ethics could say about them and received various answers

1. Ethics has to do with what determines our feelings about what is right and what is wrong
2. Ethics has to do with religious belief
3. Being ethical means doing what the law requires
4. Ethics consists of behaviours and standards accepted in society

Ethics represents the principles, values that determine what is right and what is not right, what is right and what is wrong, etc. (Mejija L.G & David B., 2006,p.74) Business ethics represents standards or guidelines that determine the behaviours and actions of managers and employees during decision making.

Ethics is divided into two main branches Normative Ethics and Descriptive Ethics

Descriptive ethics is the approach used when ethically describing what people think about morality or describing how people behave (Rossouw, G. J., & van Vuuren L.J, 2003) such a way represents the description of existing morality and in determining whether action is right or wrong as well as answering questions, it all has to do with moral problems.

Normative ethics is ethics which is based on the principles and norms which are set by the legislator and are defined by law, and what is defined by law must be respected and acted within the legal provisions. (Rossouw, G. J., & van Vuuren L.J, 2003) says normative ethics is defined as the basis of moral principles, criteria and standards which are used when deciding what action should be taken. In normative ethics it is important to know that what are our moral obligations to make a decision as fair as possible, we must be clear what our moral values are as individuals that we act in that circle, we must act in such a way as to make a division between what is wrong and what is permissible, religious beliefs should be respected no matter what religion those beliefs belong to, but whatever the religious beliefs are in essence moral (Jeffery Smith, 2009) Based on what we have clarified what descriptive ethics is and normative ethics we give a shorter conclusion as to the difference between them. Normative ethics provides the answer to the question of what people should do while descriptive ethics describes what and how people act (Matinez V. & Turnbull B. & Juan B.G & John P.2006, 2006)

Code of ethics

The code of ethics provides a set of rules and principles that must be respected by employees in the organization without distinguishing between age, gender, religion, political affiliation, etc. In different literatures the term code of ethics can be found in different names as the code of practice, code of conduct, etc., as the code of ethics is concerned with defining written rules on how employees should act, and these rules must be followed to have a good practice by the staff of an organization.

The code of practice is a good synonym of the code of ethics as ethics encompasses the behaviour and principles of the individual's behaviour and its impact on society.

Codes of ethics lead to increased awareness within the organization and this, in a way, represents the umbrella over the organization (Matinez V. & Turnbull B. & Juan B.G & John P.2006, 2006) Based on the size of the organization, the drafting code of ethics also changes. The code of ethics depends on many determinants that influence them. The code of ethics enables to know clearly the purpose and tasks which lead to the realization of the basic priority of the enterprise.

In most cases in small businesses the code of ethics is not necessary, when starting a new business regardless of the activity and size of the enterprise, a code of ethics should be drafted in which all employees will be treated equally, as and ethics to be current in every action of managers and employees. (Matinez V. & Turnbull

B. & Juan B.G & John P.2006, 2006)

No matter what the enterprise is, every enterprise that has control over all its functions inside and outside the organization and operates successfully has compiled a code of ethics as a guide in achieving the goals set by achieving it as a top priority. in an enterprise. In short, we can say that the implementation of the code of ethics leads to ethical decision making.

Research Methodology

The decision to choose between quantitative research, qualitative research or both depends on several factors but the most important are the field of research, the problem of the research and the point of view of the researcher. considering that the information needed to solve the problem is not found in the internal or secondary data so we have to rely on primary data, data which were obtained directly from businesses operating in Polog through questionnaires where questions were elaborated from which we will have some feedback on what we want to draw from this research where in particular it is entrepreneurial ethics and making gender differences in the application of the code of ethics during business processes.

Depended on variable is Entrepreneurial ethics

Independent variables are Gender and Code of ethics

Most of the data are processed with SPSS software and we have the following results

The research sample is foreseen around 100 companies while, only 52 were answered questions from the questionnaires, where we received direct answers on how many businesses in Polog draft the code of ethics and how is the gender relationship in ethical practice within the company, where we have descriptive approach of results

Research results

Interpretation of the results obtained from the questionnaires based on the questions asked during this research and answers to the three research questions targeted during this research as well as the acceptance of the previously assumed hypothesis, zero or alternative hypothesis, through the T-test

Answers to the first question what the gender is we have these answers

Table1.

Gender					
Gender	N	Mean	Std. Deviation	Std. Error Mean	
Male	33	1.18	.392	.068	
Female	18	1.22	.428	.101	

Of the respondents, the largest number belongs to males, while the entrepreneurial respondents are in a smaller number, where out of the total of 52 enterprises, only 18 belong to females.

The intervened enterprises are mainly small and medium enterprises where the number of employees varies from 11 to 50 enterprises and medium enterprises from 50 to 250 enterprises

To the next question Are you informed how to act ethically in the enterprise we have the following answers where it is seen that enterprises have knowledge and information on how to behave in an ethical form where yes declared 67%, No 11.5% and Somehow 21.2%.

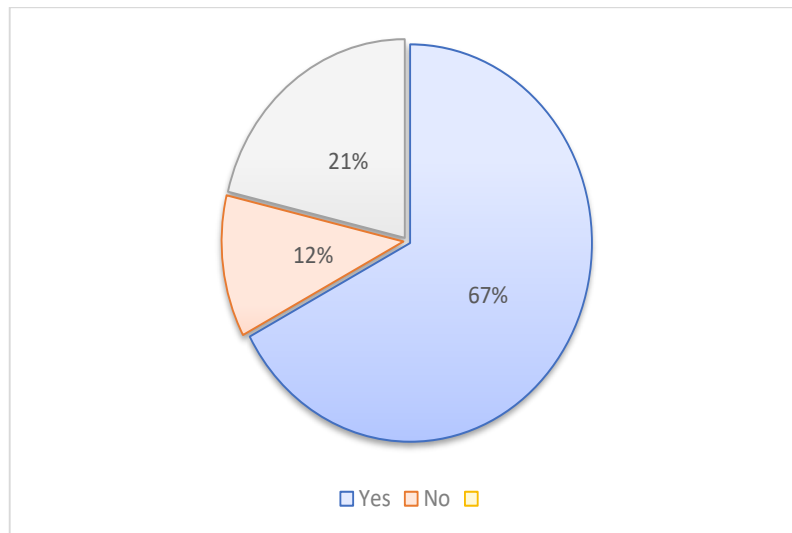


Fig 1.

To see why companies consider it reasonable to act ethically, the question was posed by declaring one of the options religious beliefs with 34.6%, Organizational culture in the operation of activities 44.2%, Respect from the law 21.2%.

To get feedback on why companies operate ethically the next question is do you operate ethically by offering: Higher Quality, More Effective Management, Obedience to the Law, determining what is right and wrong and we have the following results: 1) Higher quality 38.5% 2) More effective management 23.1% 3) Respecting the law 26.9% 4) Determining what is right and wrong 11.5%.

The connection between ethics and business from different enterprises is seen in different ways. The following are elaborated alternatives where enterprises are defined in one of them that they see as the most important.

Table 2.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Adequate management	8	15.4	15.4	15.4
	Adherence to the code of ethics	23	44.2	44.2	59.6
	Effective decision making	13	25.0	25.0	84.6
	Accomplishment of tasks for the benefit of all	4	7.7	7.7	92.3
	Observance of the golden rule	4	7.7	7.7	100.0
Total		52	100.0	100.0	

In the next question how, entrepreneurs see the role of ethics in business and the selection of one of the alternatives we have the following results. The importance of ethics and its value increases when written rules are practiced so the next question is whether they have drafted the code ethical where 78.8% answered Yes while 19.2% answered No

Table3.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	41	78.8	80.4	80.4
	No	10	19.2	19.6	100.0
	Total	51	98.1	100.0	
Missing	System	1	1.9		
Total		52	100.0		

For the companies that have responded with Yes, the questions have been elaborated further to see what the benefits are of drafting the code of ethics directly from the firms that have drafted the code of ethics and we have the results continuously.

Completion of tasks on time (25%)

Working hours (21.2%)

Productivity increase (26.9%)

Separate obligations for each employee within the enterprise (26.9%)

With the implementation of the written rules is realized by the enterprises that practice the code of ethics Increase of sales 46.2%, Greater credibility to the consumers 32.7% Positive relation of the activities within the enterprise 21.2%.

Given the current COVID-19 crisis, several alternatives have been raised to the question of what the challenges have been in implementing the code of ethics.

Irregular observance of the prescribed rules 7.7% Drafting of new rules 22.1%

Changes in the observance of working hours 15.4% New drafts for online sales 11.5%

Rules provided for online payments 11.5%,

T-Test

With Ho we denote the Zero Hypothesis while with H1 we denote the Alternative Hypothesis.

Zero hypothesis is that enterprises in the Polog region do not have a code of ethics for business performance, with a special emphasis on women-led enterprises

While the alternative hypothesis is the opposite of the Zero hypothesis.

We continuously test the T test

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
p7	Drafting the code of ethics by gender	.449	.506	-.341	49	.735	-.040	.119	-.279	.198

Non –use the code of ethics by gender	-.332	32.492	.742	-.040	.122	-.288	.207
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Fig 4.

We have two types of significance in the application of written rules in relation to gender where in the drafting of the code of ethics the significance is 0.735 and in the non-use of the code of ethics we have the significance 0.742.

If $p < \alpha$ then hypothesis H_0 is accepted.

If $p > \alpha$ then hypothesis H_1 is accepted in the concrete case in both cases α is less than p

$P = 0.735 > \alpha$, $\alpha = 0.05$ the alternative hypothesis H_1 is accepted and the hypothesis H_0 is rejected

$P = 0.742 > \alpha$, $\alpha = 0.05$ alternative hypothesis H_1 is accepted and hypothesis H_0 is rejected

In this case, the alternative hypothesis is accepted where enterprises in the Polog region have drafted a code of ethics in particular women-led enterprises

Conclusion

Ethics and the drafting of a code of ethics is a necessity for the success of enterprises that are committed to the realization and observance of the rules either set by the government or the rules written by the entrepreneurs themselves and all employees must adhere to

Polog region is a small country in which many small and medium businesses operate, so in this research most of the enterprises belong to small enterprises where they are founded and managed by the founders themselves who are also enterprise managers. Considering that small enterprises find it difficult to draft the code of ethics our hypothesis was that small and medium enterprises in the Polog region do not draft the code of ethics especially by women entrepreneurs where the results showed the opposite and the alternative hypothesis based on the T test and the analysis between the sexes and the written code of ethics is accepted.

Research questions: during this research

1. What are the ethical responsibilities of entrepreneurs?

Entrepreneurial ethical responsibilities are numerous where managers have selected what is most important for their enterprise to respect the standards, norms, and values set by the manager

The positive relationship that is created between consumers, suppliers, competition

Mutual respect between employees by defining what is right and wrong

Higher quality during production and service

Legal observance imposed by the state, while religious beliefs partly influence to be as correct as possible in what they offer

2. Are there differences between the genders of business owners in whether they have written an ethical code?

Although it is clear from this research that male entrepreneurs still dominate but adhering to the rules and practicing them to be as ethical as possible and to offer the best possible is a trend from both genders where it was best elaborated by t test and comparison between drafting a code of ethics and entrepreneurship based on gender and here there is no gender difference

3. Their commitment to the Code of Ethics and benefits

Their commitment to the Code of Ethics is on the rise as some entrepreneurs have chosen options focusing on productivity, sales growth, greater consumer credibility while overlooking the code of ethics being drafted to respect set standards, values and norms. from the manager for the operation within the enterprise and the harmonization of activities among the employees in the realization of the activities in a foreseen term.

Recommendation

Humbling recommendation on what we have achieved, what our contribution is and where gaps have been encountered for further research in the future.

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