

The Influence of a Family on Ethical Behaviour of a Family Enterprise

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Abstract: Family enterprises are defined as a special type of enterprises. The involvement of a family in the enterprise is what makes these enterprises unique. The research presented in the paper aims to broaden our knowledge about the influence of a family on the ethical behaviour of a family enterprise. The case study research methodology was applied to explore the influence of a family on the constitutional elements of the enterprise ethical behaviour. The pre-designed questionnaire was used in conducting face-to-face interviews with 28 managers who were in most cases also owners of the studied enterprises.

Keywords: family, family enterprise, case study, ethical behaviour

1 Introduction

At the most basic level a family enterprise may be defined as an enterprise, which is controlled by members of a family. However, family enterprises are not homogenous. Empirical research has revealed that, among others, family enterprises vary regarding the degree of family involvement in ownership and management [2, 3, 54, 63]. The family is an intimate room where the core values, culture as well as ethical climate of the family as well as of the broader environment is shaped, and where the first social relationships are formed, which differ from relationships with people outside the family circle. The process of family education and upbringing form the foundation for the focused expectations of every single family member upon which the trust and firmness of family relations are built [5]. The family system forms fundamental principles, core values, which can be seen as the guidelines in setting the vision, mission and goals of a family enterprise. Because of the importance of the family influence on the ethical climate and culture of a family enterprise system (influenced through the family core values), it could be possible to observe and value the level of family influence on the ethical behaviour of a family enterprise as well.

Considering the scientific theory, literature, and various research cognitions on family enterprises, we set our research questions as follows: Does a family influence the ethical behaviour of a family enterprise?

The aim of the research presented in this paper was to examine the influence of a family on the enterprise ethical behaviour through the observation of enterprise ethical core values, culture, and ethical climate as the constitutional elements of the enterprise ethical behaviour [10]. To be able to determine the family influence on enterprise ethical behaviour we examined the differences in ethical core values, culture, and ethical climate between family and non-family enterprises.

2 Literature Review

2.1 The Influence of a Family on the Enterprise Core Values

In society, values help to define people's "core" thinking: what they love, hate, or are just indifferent to [31]. In an enterprise, values serve to convey a sense of identity to its members, enhance the stability of its social system, direct a manager's attention to important issues, guide subsequent decisions by managers, and facilitate commitment to something larger than self [8, 32].

Hood argues [21, 29] that values are the point at which the individual intersects with society. The author classifies values in terminal values (desirable end-states of existence) and instrumental values (modes of behaviour or means of achieving the desirable end-states). Hemingway and MacLagan [23] prove that enterprises' ethical behaviour depends on formal adoption and implementation of enterprises' ethical programmes, which can be considered as the result of and are associated with the changing values of individual managers.

In a context of enterprise ethics, it is very important that organizations provide a moral environment for employees. Various authors [36, 41, 42] developed the term ethical leadership, where development of a specific value or set of values is important for enterprise's success as integrity, prudence, courage, temperance, and justice. Morris [43] argues that core values of every organization need to reflect their ethical content. Thommen [59] proposed the categorization into three dimensions of an enterprise's credibility (responsible, communicative, and innovative behaviour) considered as the "highest" value. Marrewijk [40] is of an opinion that for the enterprise's success the enterprise's core values as order, success, community and synergy are of relevant meaning. These four core value systems have further strong relation with the enterprise culture and enterprise climate.

García-Marzá [17] argues that there are interests common to all stakeholders, which in order to be satisfied demand a specific orientation in management decisions and actions. Considering this, the author proposes basic or core values that represent the corporate constitutional framework, responsible for establishing the basic rules for subsequent definition of relationships and strategies among various stakeholder groups. In his opinion, if we eliminate any of these values, a dialogue will no longer represent a process of reaching agreement but will become a mere strategy or compromise, where the final outcome is decided by the more powerful side. García-Marzá [17] proposes the following core values:

- *Integrity*: coherence between what is said and what is done.
- *Credibility*: trust in the expectations placed in the company.
- *Fairness*: equal distribution of burdens and benefits.
- *Dialogue*: possibility for participation and consensus mechanisms among the various groups involved and/or affected.
- *Transparency*: truthfulness, intelligibility and accessibility in internal and external communications structures.
- *Dignity*: respect for and encouragement of human rights and values involved in reciprocal recognition between individuals.
- *Legality*: compliance with laws and legal provisions.
- *Civic commitment*: contribution to local and regional development, co-responsibility for social order.
- *Environment*: position on the maintenance and improvement of the environment.
- *Responsibility*: capacity for anticipation of and response to social expectations and demands.

These are the so-called ethical values [17, 31], which help to establish and maintain the standards that delineate the “right” things to do and the things “worth doing”. Such ethical values influence individual’s choices and lead to actions which every organization supports. Some authors [6, 17, 31] believe that when the ethical values of an enterprise are widely shared among its members, the enterprise’s success will be enhanced.

According to Dyer [14] two important “family factors” drive behaviour in family businesses: familial goals and values. Sharma [54] and Klein [34] exposed the influential role of family businesses’ founders on family businesses’ values; due to their long tenures and the centrality of their positions in their family and firm, founders exert considerable influence on the culture, core values and performance of their firms during and beyond their tenure.

Koiranen [37] identified the top values of old Finnish family firms (based on self-assessments of the present active family executives working at the top level)—namely, honesty, credibility, obeying the law, quality, and working hard, which are all modes of good ethical conduct. Koiranen further determined that values of yielding good economic return to owners, willingness to grow, and willingness to achieve social recognition are scored surprisingly low. Based on their analysis of 50 family business mission statements, Dumas and Blodgett [12] identified specific top values: quality, commitment, social responsibility, fairness, respect and integrity. The values of honesty, trust, reputation, and truth occurred less frequently in the mission statements.

According to Dyer [14] the value of altruism plays a unique role in family firms that is not generally found in other kinds of enterprises. Altruism is self-reinforcing and motivated by self-interest because it allows the individual to simultaneously satisfy both altruistic (other-regarding) preferences and egoistic (self-regarding) preferences [52]. Altruism compels parents to care for their children, encourage family members to be considerate of one another, and makes family membership valuable in ways that both promote and sustain the family bond. These bonds lend family firms a history, language, and identity that make it special. Altruism also fosters loyalty, as well as a commitment among its leaders to the firm's long-run prosperity. On the other hand, the altruism can cause parents to threaten their children with moral hazard. Because altruism partly stems from parents' desire to enhance their own welfare, parents have incentive to be generous even though that increased generosity may cause their children to free-ride [52]. So when the value of altruism is breached in families, it may be replaced by antipathy and the emotions of hate and jealousy [14].

Family business core values are discussed in literature, but often without empirical support of the family influence on core values; there is also lack of family versus non-family enterprises comparative studies on core values.

2.2 The Influence of a Family on the Enterprise Culture

Enterprise/corporate culture is a multifaceted construct, and has been defined as encompassing the assumptions, beliefs, goals, knowledge, and values that are shared by organizational members [8, 30, 45, 49, 50, 51, 53].

Various types of enterprise/corporate cultures have been identified – related to the dynamic nature of the industry concerned [20] and to the size of the organization [19]. Several classifications have been proposed; the most often cited being those of Schwartz [53], Deal and Kennedy [8], Hofstede [24, 25, 26, 27, 28], Schein [49, 50, 51], Sathe [48], and Cameron and Quinn [7]. Hofstede [24] proposed that enterprise culture could be classified by comparing the degree of individualism versus collectivism, the apparent power-distance metric, the tendency towards uncertainty avoidance, and the bias between masculinity and femininity.

In the Thommen's [59] opinion, an enterprise should emphasize its culture to the level where it comes into accordance with the enterprise's vision and strategy. To judge and analyze the enterprise culture, the author [57, 58] refers to the following criteria:

- *The level of anchoring* can show how much the values and norms are accepted by the co-workers. The higher the level of anchoring is – the stronger the impact of enterprise culture on employee behaviour.
- *The level of agreement* defines the collective character of cultural norms and values. The effect of an enterprise's culture is stronger if same values and norms are shared by the majority of co-workers.
- *System compatibility* is the level of harmonization of enterprise culture with all other systems of an enterprise. The greater the impact of cultural values and norms on these systems, the easier and better they can be implemented.
- *Compatibility with the environment* means external focus. The enterprise culture should be developed in harmony with the economic culture in which the enterprise functions. It can happen that a business loses its focus to customers and consequently its reputation, which also results in decreased popularity as a potential employer.

Considering the criteria above, Thommen [58] differentiates between strong and weak enterprise cultures. An enterprise with a strong culture is one with a high level of values and high norms anchoring, a high level of agreement, as well as high system and environment compatibility.

Considering the above stated scientific cognitions on enterprise culture Cameron and Quinn [7] proposed a classification comprising four culture types for audit and comparison purposes – Clan, Hierarchy, Market and Adhocracy. A *Clan culture* is typical of an organization that concentrates on internal maintenance with flexibility, concern for people, and sensitivity for customers. It puts an emphasis on human relations, and adopts flexible operation procedures focusing on internal relationships. Values include cooperation, consideration, agreement, fairness, and social equality. Such an organization is generally a very friendly place to work, and employees contribute a lot personally to the working atmosphere. It is like an extended family, where leaders are thought of as mentors, and loyalty and tradition bind the organization firmly. An *Adhocracy culture* is a culture in which the organization concentrates on external positioning with a high degree of flexibility and individuality that is supported by an open system that promotes the willingness to act. It is generally a dynamic, entrepreneurial, and creative place to work, where people stick their necks out and take risks. Leaders are visionaries and use innovative and successful means, producing unique and original products and services. The organization values creativity, willingness to experiment and take risk, personal autonomy, and responsiveness. A *Market culture* is working

towards clear and rational goals that are achieved through high productivity and economical operation. It tends to be result oriented and to concentrate on getting the job done. Its members value competitiveness, diligence, perfectionism, aggressiveness, and personal initiative. Its leaders are inclined to be hard-driving producers, focused on outperforming competitors and remaining at the forefront of their field of endeavour by maintaining stability and control. The term “Market” is not to be confused with the marketing function or with customers in the market place. It represents a focus on transactions with external bodies, such as suppliers and customers. A *Hierarchical culture* focuses on maintenance of the internal system and strives for stability and control through clear task setting and enforcement of strict rules. Accordingly, it tends to adopt a formal approach to relationships, where leaders need to be good coordinators and organizers and toe the party line. It places a high value on economy, formality, rationality, order, and obedience.

The organizational culture was found to be an important and distinct characteristic of family businesses [2, 35]. It was included in the method for assessing the extent of a family influence on any enterprise (i.e., alternative method for defining a business as a family one) – the so-called F-PEC Scale of Family Influence. The F-PEC scale comprises three subscales; culture, power, and experience. The culture subscale assesses the extent to which family and business values overlap as well as the family’s commitment to the business [2]. Denison, Lief and Ward [9] believe that the continuity of the founder’s values in the company’s culture could explain their research results, which indicate that family businesses have a distinct, performance-enhancing culture. Because these founder cultures are nurtured by succeeding generations of family, culture in family-owned firms is difficult to replicate and as such may be a source of strategic advantage. Typically, the family business culture has a uniquely close relationship with the local community’s culture [33].

Research results [60] indicate that family firms have different organizational cultures than non-family ones since family firms present a greater commitment of employees to their firms, a better working environment and therefore greater organizational harmony as well as management that is more long-term oriented. Vallejo [60] also concludes – based on research results – that family firms have stronger cultures than non-family ones. However, Barnett and Kellermanns [4] suggest (based on the results of different studies) that family firms are often characterized by authoritarian leadership cultures that tend to monopolize strategy and other decision processes. Based on his study, Dyer [13] identified four types of family business cultures – paternalistic, laissez-faire, participative, and professional – based on seven categories of assumptions of how organizations view the self, society, and world. Dyer found the paternalistic pattern to be the most common culture in family firms studied, especially in first-generation family firms. In succeeding generations, more than two thirds of the paternalistic firms experienced culture change, with the majority becoming professional cultures.

Based on the review of the existing family businesses culture studies we can conclude that there is lack of family versus non-family businesses comparisons. The organizational culture is included as an important element in assessing the extent of a family influence on an enterprise and by these important criteria for defining an enterprise as a family one.

2.3 The Influence of a Family on the Enterprise Ethical Climate

Ethical climate concepts remain popular as a means of understanding the right-brain-based ethical atmosphere in enterprises. For the purpose of our discussion, we will use ethical climate concept as proposed by Victor and Cullen [61]. In their opinion, an institutional normative system can be considered as an element of culture, although enterprise culture is more comprehensive and includes the patterns of behaviour, artefacts, ceremonies, and special language. Observers of organizational ethical climate discuss only those organizational norms that concern practices and procedures with ethical consequences in only a segment of the organizational culture.

Victor and Cullen [61] describe the enterprise climate as perceptions that “are psychologically meaningful molar descriptions that people can agree characterize a system’s practices and procedures”. Further on, the authors argue that the prevailing perceptions of typical organizational practices and procedures that have ethical content constitute the ethical work climate. In their opinion, ethical climate is conceptualized as a general and pervasive characteristic of an organization, affecting a broad range of decisions. Ethical climate therefore “informs”/influences members of the organization what one can do and what one ought to do regarding the treatment of others. The authors believe that climate types represent perceived norms of an organization or group with an ethical basis.

Based on the ethical criterion and locus of analysis, Victor and Cullen [61] argue, that five major types of ethical climate occur in enterprises:

- The *Caring climate*, where employees are expected to act in a way which is best for all enterprise stakeholders.
- The *Rules climate*, where employees must obey rules and procedures determined by the enterprise.
- The *Law and code climate*, where employees are expected to respect and obey the law as well as codes and professional standards.
- The *Instrumental climate*, where fulfilment of individual interests is in focus.
- The *Independence climate*, where employees are expected to follow their own moral beliefs in their decision making.

The review of the existing literature on family businesses in the field of ethical climate reveal the lack of studies on family businesses ethical climate as well as there is no studies on differences regarding ethical climate between family and non-family enterprises. Few studies have examined ethics in family businesses [16], differences in ethics between family and non-family businesses [1], or social responsibility [15]. In continuation we discuss the main findings of these studies.

Results of the empirical research carried out by Adams and co-authors [1] indicated that no significant differences exist between family and non-family businesses regarding types of ethical dilemmas encountered, pressure to act unethically, contents of ethics codes, ratings of self and others' ethical behaviours, company responses to ethical problems, sanctions or support for ethics-related behaviour, or level of moral reasoning represented by ethical decisions. However, respondents in non-family-owned firms were much more likely to report having a formal code of ethics than those in family-owned firms. The difference in formalization is supported by the authors' findings that family businesses are more likely to rely on role modelling to encourage ethical behaviour and on the informal transmission of behaviour norms among members than non-family-owned firms. Thus, non-family-owned businesses appear to rely primarily on formal means, such as an ethics code, ethics training, and sanctions.

Additional research [15] indicates that family firms are more likely to be socially responsible actors than firms without family involvement due to the fact that families see their images and reputations as inextricably connected to the firms they own, and therefore will be unwilling to damage those reputations through irresponsible actions on the part of their firms. Gallo [16] called attention to the problem of ethics violations related to gaining and maintaining power in family businesses. In particular, ethics violations can occur when family business leaders forget that the business, as an "organized community of people", is much more than its owners and that those who control and run it also have responsibilities to the people working there as well to clients, suppliers, other institutions, and society in general.

3 Research Question

Considering the scientific theory, literature, and various research cognitions on family enterprises, we set our research questions as follows: Does a family influence the ethical behaviour of a family enterprise?

To answer our research question we designed four research constructs:

- C1: Determination of the status of an enterprise (family/non-family).
- C2: Examination of the ethical core values of an enterprises.

- C3: Examination of the type and strength of culture of an enterprise.
- C4: Examination of the type of ethical climate of an enterprise.

4 Research Methodology

In the presented research we examined the enterprises' ethical behaviour through the observation of their ethical core values, culture, and ethical climate. To be able to determine the family influence on enterprise ethical behaviour we examined the differences in enterprise ethical core values, culture, and ethical climate between family and non-family enterprises.

For our research on differences in core values, culture and ethical climate of family and non-family enterprises, we chose a case study research methodology. As proposed by Yin [62] we used a multiple case study approach in our research, where replication logic was possible. We used pre-designed questionnaire for conducting face-to-face interviews with 28 managers (in most cases also owners) of Slovene enterprises.

Within our first research construct, we determined the status of the examined enterprises based on the level of family influence. The influence of a family on an enterprise was measured by the percentage of the family ownership and by the perception of the top management (entrepreneur, owner-manager) to be a family enterprise. The status of a family enterprise was given to an enterprise in which the majority of ownership was in the hand of a family and the enterprise was perceived by top-management as a family one.

Within the second research construct, we examined the enterprise core values. The ethical enterprises should have applied the majority of core values with ethical content as defined by Garcíá-Marzá [17] and discussed previously in the text. The questions within this research construct were formulated so that the respondent defined the importance of the listed core values containing the ethical content as proposed by Garcíá-Marzá [17]. The questions under this construct were close-ended where the respondent defined the importance of a specific core value by giving a assessment from -3 to 3. The maximum assessment is therefore 33 and the minimum assessment -33.

The third research construct was designed to determine the type of enterprise culture, following the methodology developed by Cameron and Quinn's [7] Organizational Culture Assessment Instrument (OCAI). Following the methodology developed by Cameron and Quinn [7], the culture types (Clan, Hierarchy, Market, and Adhocracy) can be assessed by observing the six key dimensions of enterprise culture:

- *Dominant Characteristics*: the degree of teamwork and sense of belonging, level of creativity and dynamism, focus on goals and competition, reliance upon systems, and emphasis on efficiency.
- *Organizational Leadership*: the leadership style and approach that permeate the organization. In earlier research, Quinn and Rohrbaugh [46] described eight nominal categories of leadership and later incorporated these into the OCAI review process. The roles identified were mentor, facilitator, innovator, broker, producer, director, coordinator, and monitor.
- *Management of Employees*: how employees are treated, degree of consultation, participation and consensus, working environment.
- *Organizational Glue*: bonding mechanisms that hold the organization together, such as cohesion and teamwork, loyalty and commitment, entrepreneurship and flexibility, rules and policies, goal orientation, and competitiveness.
- *Strategic Emphasis*: organizational strategy drivers, long-term development of human capital, innovation, stability and competitive advantage, growth and acquisition, achievement of goals.
- *Criteria for Success*: how it is defined and who is awarded profits, market share and penetration, sensitivity to customers and concern for people, development of new products and services, dependability, and optimization of costs.

Considering the relevant theoretical as well as empirical argumentation (discussed previously in the text) that for successful implementation of certain enterprise culture enterprises would have to strive under the strong enterprise culture our third research construct was designed in a way to determine the strength of enterprise culture as well, following Thommen's [57, 58, 59] cognitions and criteria for culture strength determination (discussed previously in the text).

To define the ethical climate type within the fourth research construct the questionnaire followed the methodology developed by Victor and Cullen [61]. Authors proposed five types of ethical climate which were discussed previously in the text.

5 Research Results and Discussion

5.1 Family/Non-family Enterprises Status

The research results on the status of the examined enterprises revealed 11 (39.28%) family enterprises and 17 (60.71%) non-family enterprises as shown in Table 1. We performed our interviews in 6 (21.42%) micro-, 7 (25%) small, 7 (25%) medium, and 8 (28.57%) large enterprises as shown in Table 2, classified on the basis of the Slovenian Companies Act.

Table 1
Enterprises distribution – family /non-family ones

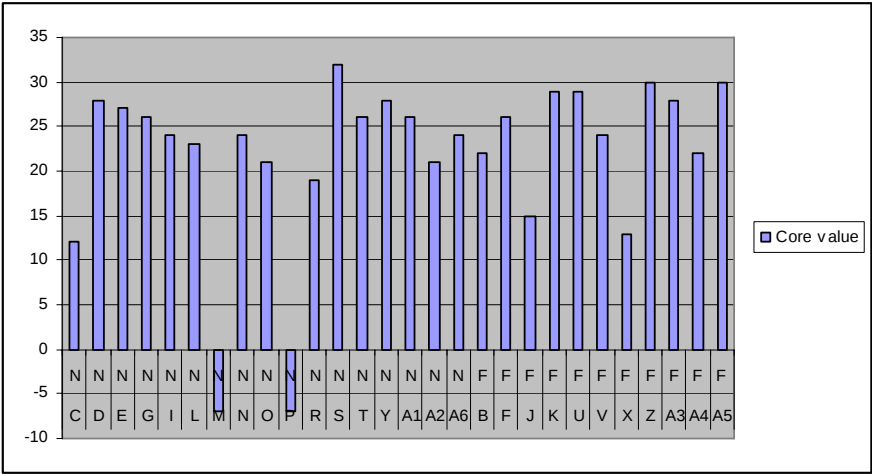
Family vs. Non-family enterprises	No. of enterprises	Percentage
Family	11	39.28
Non-family	17	60.72
TOTAL	28	100

Table 2
Distribution of enterprises by size

Enterprise size	Micro	Small	Medium	Large	TOTAL
No. of enterprises	6	7	7	8	28
Percentage	21.43	25	25	28.57	100

5.2 Enterprise Core Values

It is very important for enterprises to provide a moral environment for employees; therefore, the core values of an enterprise need to be ethical in nature. Our research showed that the majority of the enterprises examined had a positive attitude towards the core values with ethical content. However, our research results found two examples, that were the enterprises M and the enterprise P, both non-family enterprises, with a negative attitude toward ethical values (as shown in Figure 1). The enterprise M is a small enterprise (30 employees), narrowly specialized within its main business activity, with a low level of competitors at the market. This may be why the owners and managers of the enterprise do not have positive attitude toward ethical core values and further do not care about the enterprise's ethical behaviour. On the other hand, the enterprise P is a medium enterprise (220 employees). In addition to the enterprise's negative attitude toward ethical core values, the research revealed serious business problems resulting in the firm's declining effectiveness and efficiency. The existential problems of the enterprise resulted in neglecting the ethical problems and generating negative attitude toward ethical core values, culture, and climate. Thus, in Figure 2, we can observe a negative trend in value consideration in relationship with the enterprise status: family versus non-family enterprise.



N = Non-family enterprise; **F** = family enterprise; B – A6 = enterprises examined

Figure 1

Core values consideration in the examined enterprises

Considering the total assessment stated by the respondents expressing their attitudes towards the core values with ethical content (as shown in Figure 1 and Figure 2) we can conclude that family enterprises on average show more positive attitudes (average value 24.36) towards core values with ethical content as non-family enterprises do (average value 22.12).

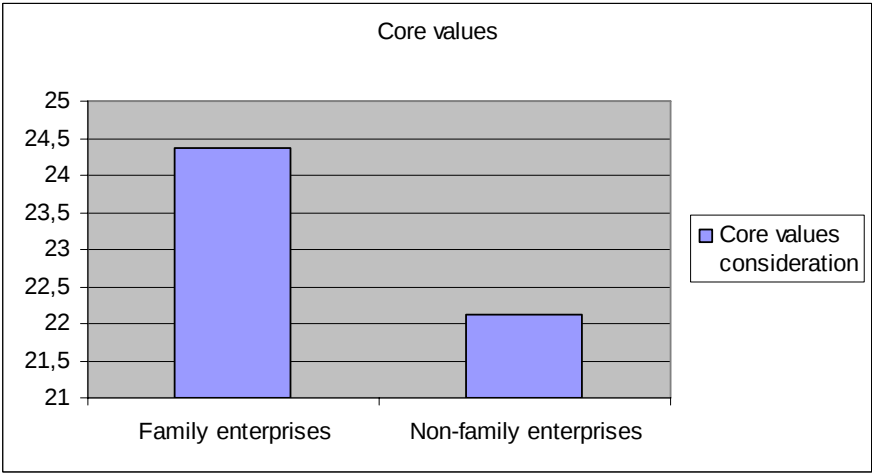


Figure2

Core values consideration in family and non-family enterprises

5.3 Type and Strength of Enterprise Culture

The results presented in Table 3 and Figure 3 show that in family enterprises, the Clan culture (72.72%) prevails. Consequently, family enterprises are more personal, where employees also act like family; leadership is considered as mentoring. The management in the enterprises observed was characterized by teamwork and participation; employees showed a high level of mutual trust and commitment to their enterprises. Studied family enterprises emphasized human development, trust, and openness.

The Clan culture (41.17%) prevails in non-family enterprises as well, following by the Market (23.52%) and Hierarchical (29.41%) culture characteristics. Considering this fact, we can conclude that non-family enterprises are more dynamic in the entrepreneurial sense: people are willing to take higher risks, they are more competitive and achievement oriented. Although a high degree of “care for people” is present in non-family enterprises, these enterprises showed a strong tendency to innovation and risk taking, market aggression, and orientation towards results. The management in these enterprises expressed high demands and achievements. Our research findings showed that people in these enterprises trusted each other, but on this basis there was a high commitment to innovation and goal accomplishment. Therefore, new challenges and prospects for new opportunities in these enterprises are very important. According to their striving for success, our research noticed their goal of domination of the marketplace.

Table 3
Type of enterprise culture

	Family enterprise	Non-family enterprise
Type of culture	%	%
Clan	72.72	41.17
Adhocracy	18.18	5.90
Market	0	23.52
Hierarchical	9.10	29.41
TOTAL	100.00	100.00

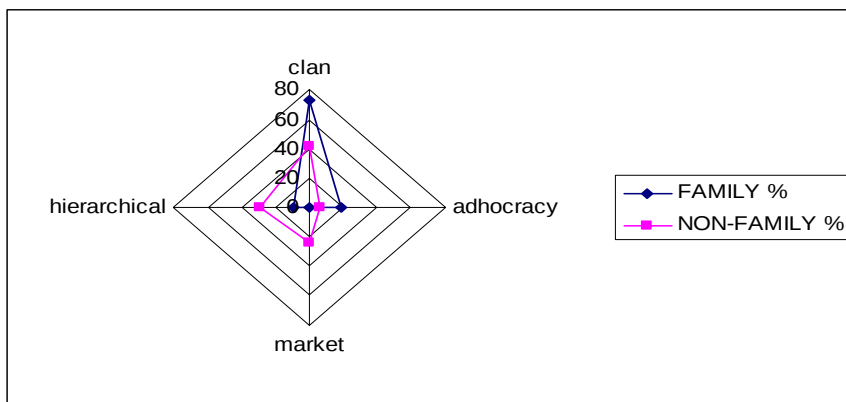


Figure 3

Type of enterprise culture considering the status family/non-family enterprise

Considering the levels of anchoring and agreement, the system compatibility, and the compatibility with the environment, our research results show (see Table 4 and Figure 4) that a strong enterprise culture can be found in family (45.46%) as well as in non-family (41.18%) enterprises, where people share the same norms and values. In the non-family enterprises we can observe a higher level of competitiveness and individualism, and since the strength of culture in non-family enterprises is on average weaker, we can state that the norms and values are not as common, in comparison to family enterprises. As shown in Table 4 and Figure 4 our research cognitions show that family enterprises on average face strong and middle culture, where on the other hand besides strong and middle non-family enterprises face weak culture (23.52%) as well.

Table 4

Strength of enterprise culture

	Family enterprise	Non-family enterprise
Culture strength	%	%
Strong	45.46	41.18
Middle	54.54	35.30
Weak	0	23.52
TOTAL	100.00	100.00

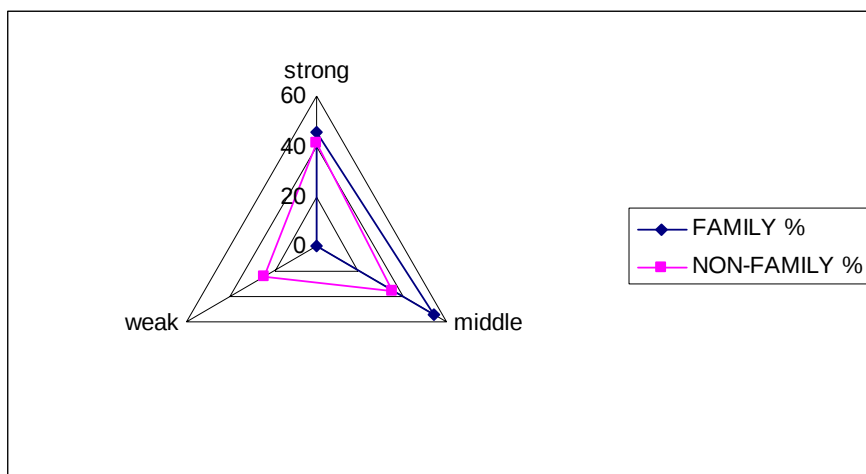


Figure 4

Strength of enterprise culture considering the status family/non-family enterprise

5.4 Enterprise Ethical Climate

In the frame of an ethical climate examination, our case study research followed the methodology developed by Victor and Cullen [61]. As shown in Table 5, in enterprises studied within our research all five types of ethical climate (Caring, Rules, Law & Code, Instrumental, and Independence) were identified.

Table 5

Type of ethical climate

	Family enterprise	Non-family enterprise
Ethical climate type	%	%
Caring	45.45	17.65
Rules	27.27	52.95
Law&code	18.18	23.52
Instrumental	0	5.88
Independance	9.10	0
TOTAL	100.00	100.00

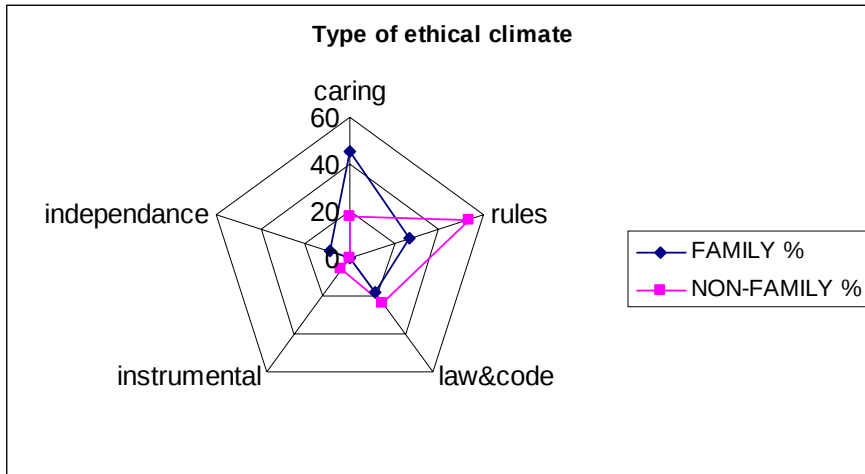


Figure 5

Type of ethical climate considering the status family/non-family enterprise

As shown in Table 5 and Figure 5, our research showed that in the majority of family enterprises, a combination of Care (45.45%) and Rule (27.27%) ethical climate type is present. Family enterprises expect their employees to react and act in a way best for all enterprise stakeholders. On the other hand, the research showed that it is very important for family enterprises that their employees follow the rules and procedures set by the enterprise.

In the case of non-family enterprises, the research results reveal that enterprises implement a combination of Rule (52.95%) and Law and code (23.52%) ethical climate type, which implies that following the rules and procedures determined by the enterprise as well as respect for law and professional standards play an important role.

Conclusions

Among small and medium sized enterprises there is an important share of family businesses - between 41.99 in 52.69 percent of family businesses [11]. The importance of family business within the economies and the importance of the particularities of family businesses is argued and discussed by various established authors and researchers [18, 22, 38, 39, 44, 47, 55, 56, 63].

The aim of our research was to examine the influence of a family on the ethical behaviour of a family enterprise. We conceptualized our research as a comparative one focusing on studying differences between family and non-family enterprises regarding ethical core values, culture and ethical climate as constitutional elements of enterprise ethical behaviour. The main findings of our research are:

- family enterprises on average show more positive attitudes (average value 24.36) towards core values with ethical content as non-family enterprises do (average value 22.12)
- the Clan culture (72.72%) prevails in family enterprises
- the Clan culture (41.17%) prevails in non-family enterprises as well, however the Market (23.52%) and Hierarchical (29.41%) culture characteristics are present as well
- a strong enterprise culture can be found in family (45.46%) as well as in non-family (41.18%) enterprises
- family enterprises on average face strong and middle (54.54%) culture, where on the other hand besides strong and middle (35.30%) non-family enterprises face weak culture (23.52%) as well
- in the majority of family enterprises, a combination of Care (45.45%) and Rule (27.27%) ethical climate type is present
- in the majority of non-family enterprises a combination of Rule (52.95%) and Law and code (23.52%) ethical climate type is present.

Our research results reveal that a family influences to a certain extent core values, culture and ethical climate of an enterprise, bearing in mind that the family influence on the enterprise ethical behaviour was measured by the family involvement in the ownership and by the perception of the top manager (in most cases also the owner) of the enterprise as a family one. Thus, more research should be done in order to better understand the influence of the family on the ethical behaviour of an enterprise. Future research should examine separately core values, culture, and ethical climate of a family as well as of an enterprise.

The results of our research are based on self-assessments which were the only possible alternative and unfortunately could not be questioned or tested by outsiders' evaluation. We are aware that opinions on the business can vary strongly according to the characteristics of the person offering them. When multiple people within the company were interviewed, the wider view of each company would be at our disposal. Therefore, any forthcoming study, this limitation should be taken into consideration.

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