

Ethical Challenges of International Human Resource Management in the Information Technology Sector in Bosnia and Herzegovina

Irma Hodžić¹

¹ University of Sarajevo, Bosnia and Herzegovina

Corresponding Author: **Irma Hodžić**

Email: hodzic_irma@hotmail.com

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Abstract

This study examines the role of ethical standards in Human Resource Management and organizational culture, with an emphasis on their impact in international organizations. The study focuses on the information technology sector in Bosnia and Herzegovina, discussing its development, challenges, and the effects of international companies on the labor market and ethical practices. Although the participating companies operate globally and employ geo-hybrid teams, the study sample consists exclusively of employees in Bosnia and Herzegovina. The empirical research provides insights into the importance of ethics in organizations. The methodology was conducted using a structured questionnaire with 186 participants to assess key aspects of this research. Findings indicate a positive influence of national culture on the implementation of ethical standards. Factors such as satisfaction, awareness, and trust proved significant in linking national culture with the adoption of ethical norms. The study is limited by its small sample size, focus on Bosnia and Herzegovina, and lack of benchmarking with multinational companies, which may affect its generalizability. Future studies should expand the research sample across multiple countries to gain a better understanding of cross-national differences. This research contributes to the understanding of ethics in organizations and provides insights for strengthening ethical practices and promoting positive work environments.

Keywords: *Ethics, Organizational Culture, International Human Resource Management, IT sector;*

1. Introduction

Today, we recognize that human resources are the most asset of any organization, with the most significant impact on business operations. Internationalization and globalization have been particularly emphasized in recent decades, bringing new ethical challenges in managing people across borders (Rahimić & Podrug, 2013). Human resources are a key factor in the success of international corporations. However, international human resource management encounters numerous challenges. Organizations are progressively required to comply with ethical standards, leading many to adopt regulations that shape Human Resource Management (Kotzian et al., 2021).

Although national and international Human Resource Management involve similar tasks, managing employees of different nationalities introduces complexity. With multicultural workforces becoming increasingly common even within a single country, knowledge from national Human Resource Management can be applied internationally. Global interest in ethics has grown, particularly in Human Resource Management, which is responsible for performance and competitive advantage. Cornerstones of Human Resource Management should be principles such as fairness, transparency, and equal opportunities (Al-Tarawneh, 2020).

Bosnia and Herzegovina ranks low in economic performance, with a lack of skilled human resources limiting growth. Unethical practices contribute to unemployment and brain drain (Arnaut & Jerković, 2019). The Information Technology sector, on the other hand, has promise because it requires less infrastructure and exhibits comparatively high ethical standards. Supporting this sector could allow Bosnia and Herzegovina to export “knowledge” through Information Technology services, but the significance of ethics increases when businesses expand internationally. International Human Resource Management requires a deep understanding of cultural, legal, and ethical contexts.

The primary focus of this study is the ethical challenges in International Human Resource Management, specifically in recruitment, selection, discrimination, and diversity. The subject is the role of national differences in implementing ethical standards and their impact on organizational aspects. The research problem is how such differences, especially in Bosnia and Herzegovina’s information technology companies (Virgin Pulse, Symphony, Authority Partners), affect the adoption of ethics and their relationship to satisfaction, interpersonal relations, and education.

2. Literature Review

Human resources are widely recognized as the most valuable asset of any organization, having the most significant impact on overall business success. The growing processes of internationalization and globalization have intensified ethical challenges faced by organizations in managing people across borders. According to Rahimić and Podrug (2013), human resources are a key success factor for international corporations and managing them in diverse environments requires a deep understanding of ethical, cultural, and operational differences.

Business ethics has been the subject of extensive academic attention, highlighting that business should be evaluated not only by economic efficiency but also by moral behavior (Georgescu, 2012). Increasing public expectations for ethical conduct have pushed companies to create internal codes of ethics that shape HR policies and governance systems (Kotzian et al., 2021).

Ethical Human Resource Management practices based on justice, transparency, and equal opportunity are crucial for achieving sustainable performance and employee trust. Research confirms that strong ethical commitment exists through important HR activities such

as recruitment, selection, training, compensation, and assessment (Al-Tarawneh, 2020). Ethical management failures are linked to dissatisfaction, high turnover, weak innovation, and poor training outcomes (Đurković & Marić, 2010).

Transitional societies such as Bosnia and Herzegovina are strongly influenced by politics, corruption, and weak institutions. These structural conditions place HRM practices in a disadvantaged position. High power distance, nepotism, unfavorable working conditions, and weak enforcement of ethical norms make ethical leadership more vulnerable to pressure for quick results. While multinational companies generally demonstrate stronger standards, even IT companies in Bosnia and Herzegovina sometimes adapt to local negative practices to achieve short-term objectives (Hanić et al., 2020).

In the context of Bosnia and Herzegovina, unethical practices, low wages, and lack of skills have contributed to brain drain and slow economic growth (Arnaut & Jerković, 2019). Nonetheless, the IT sector stands out as a promising field with potential for knowledge export and relatively high ethical standards.

As global mobility and workforce diversity increase, Human Resource departments must adapt to intercultural profiles to ensure inclusion and productivity (Chaşovschi, 2016; McMurray & Scott, 2013).

In studies that compare organizational behaviour across countries, one of the most commonly used frameworks is Hofstede's model of national culture (Hofstede, 1980). His research, based initially on surveys among IBM employees in more than 40 countries, showed that societies differ in how they understand hierarchy, individualism, uncertainty and gender roles. These cultural patterns have since been widely used to explain differences in management styles, communication and expectations around ethical behaviour. This perspective is beneficial for the IT sector in Bosnia and Herzegovina, where many teams work with managers and colleagues located abroad. Cultural differences can shape how employees understand ethical guidelines and how they interpret organizational practices in an international HRM setting.

Knowledge sharing within companies also represents a persistent challenge, especially in environments with weak trust. Lack of knowledge exchange slows innovation, productivity, and organizational learning. Ethical leadership, characterized by traits of transparency, fairness, and moral consistency, fosters a climate where employees are more inclined to share their knowledge. In digital and remote work arrangements, ethical leadership is a key strategy for collaboration, where trust plays even more crucial role (Bhatti et al., 2020).

Communication is the most important factor influencing ethical work environments. When communication is contradictory or inconsistent, trust is undermined and resistance to change rises. This is especially evident in international and digital teams, where physically remote leadership complicates relationship-building. Effective communication is a necessity for corporate trust and collaboration because employees value timely, accurate, and transparent information (Yue et al., 2019). Given that many IT companies in this study have leaders located abroad, communication issues have a direct impact on employees' ethical perceptions.

At the same time, technological advances such as e-HR have improved efficiency but introduced new ethical concerns, particularly regarding depersonalization and fairness in decision-making (Francis et al., 2014). Human Resource professionals recognize their ethical role but face competing pressures that hinder implementation (Parkes & Davis, 2013).

The use of digital HR solutions in modern businesses presents both new opportunities and challenges. While digital processes increase efficiency and reduce the likelihood of error, they may feel impersonal and raise concerns about data misuse, privacy, and the balance between technology and human-centered HR approaches. These risks underscore the importance of establishing ethical standards prior to implementing digital systems (Eprianto et al., 2025).

National cultures strongly influence ethical norms, decision-making, and workplace

values. Certain value systems, such as collectivism, hierarchy, and uncertainty avoidance, shape expectations about fairness, leadership, and compliance. In post-socialist contexts, public-sector employees often hold traditional value systems, while employees in multinational companies are more likely to embrace international ethical norms (Radovanović et al., 2022). These variations highlight the importance of examining how national culture influences moral behavior in international organizations.

2.1 Research Objectives and Hypotheses

This research aims to analyze the level of application of ethical regulations in human resource management within IT sector companies in Bosnia and Herzegovina that operate internationally and have geo-hybrid operational teams. However, the sample of employees completing the survey is limited only to Bosnia and Herzegovina, and the surveys were filled out in cooperation with their managers from other geographical locations. In addition, the general objective is to expand the understanding of ethical challenges that arise in international human resource management and to create possible solutions to overcome these challenges. The purpose of the research is to emphasize to companies the importance of conducting their activities in accordance with business morality, good business practices, and principles of conscientiousness and honesty.

The specific objectives of this research are to:

- Define and analyze ethical challenges in international human resource management
- Investigate Human Resource Management practices in Information Technology companies in Bosnia and Herzegovina
- Conduct research among employees and management in companies in Bosnia and Herzegovina
- Provide recommendations for more effective application of ethical Human Resource Management practices

Table 1. Operationalization of the Main and Auxiliary Hypotheses (Variables, Indicators, and Measurement Scales)

Hypothesis	Independent Variable (IV)	Dependent Variable (DV)	Indicators – IV	Indicators – DV	Measurement Scales / References
Main Hypothesis: The success of implementing ethical standards is influenced by the characteristic of national cultures.	Characteristics of national cultures	Success of ethical standards implementation	<ul style="list-style-type: none"> •Nationality of employees •Language •Cultural diversity within the organization 	<ul style="list-style-type: none"> •Employee awareness of ethical behaviour and organizational values •Trust-based relationships •Clear communication of ethics and integrity 	Kaptein (2009); Treviño & Weaver (2003)
PH1: The application of ethical norms in internationally operating organizations contributes to the establishment of professional standards of employee behaviour.	Application of ethical norms	Professional standards of employee behaviour	<ul style="list-style-type: none"> •Existence and enforcement of ethical codes •Possibility of reporting unethical behaviour •Ethical oversight by management 	<ul style="list-style-type: none"> •Reduction in unethical behaviour cases •Professional conduct •Social responsibility 	Kaptein (2009); Hoffman (1990)
PH2: The implementation of ethical standards in internationally operating organizations positively affects employee satisfaction.	Implementation of ethical standards	Employee satisfaction	<ul style="list-style-type: none"> •Fairness and transparency of supervisors •Clear rules on responsible behaviour •Ethical HRM practices 	<ul style="list-style-type: none"> •Employee engagement •Work climate •Professional development and education 	De Cremer (2011); Cameron et al. (2004)
PH3: The lack of employee education on ethical standards in internationally operating organizations negatively affects the implementation of ethical standards.	Lack of education on ethical standards	Implementation of ethical standards	<ul style="list-style-type: none"> • Existence of formal training programs •Frequency of ethics-related training •Opportunities to discuss moral dilemmas 	<ul style="list-style-type: none"> •Supervisor involvement •Employee feedback •Adoption and enforcement of ethical standards 	Kaptein (2009); Treviño & Weaver (2003)

Source: Author's analysis

3. Research Methodology

The empirical part of this research examines how ethical principles are applied in different aspects of international Human Resource Management, with a particular focus on the IT sector in Bosnia and Herzegovina. The methodology intended to collect reliable data that reflect employees' perceptions of ethical standards, satisfaction, organizational behaviour, and the influence of international structures on these processes.

The research was carried out using a quantitative approach and a cross-sectional design, as this was the most practical way to reach a larger number of respondents across different companies. Data collection was conducted through an online questionnaire. This format was chosen because many respondents work in geographically dispersed or hybrid teams, which makes digital distribution the most efficient option. The target population consisted of employees working in IT companies in Bosnia and Herzegovina that operate internationally. A purposive sampling method was used, focusing on organizations whose employees collaborate with managers in other countries. In total, 186 respondents completed the questionnaire. The survey was open from September 25 to October 10, 2023. The 32 questions on the questionnaire were divided into four parts: demographic information, the presence of ethical codes and reporting mechanisms, statements related to ethical standards and satisfaction (measured on a 1–5 Likert scale), and questions about training, development, and the ability to raise ethical concerns.

The content of the questionnaire was based on previously established and widely used instruments in studies of organizational ethics, primarily Kaptein (2009), Treviño & Weaver (2003), Hoffman (1990), De Cremer (2011), and Cameron et al. (2004). Since the questions were adapted from existing research, the theoretical grounding already ensured good content validity. During the preparation of the final version, the questions were reviewed to make sure they were clear and consistent with the constructs being measured. Internal reliability of the scales was later examined through Cronbach's Alpha, and the values obtained in the analysis were within an acceptable range for this type of research.

Ethical standards, ethical infrastructure, and the clarity of organizational rules were measured using elements taken from Kaptein (2009) and Treviño & Weaver (2003). Professional behaviour and perceptions of ethical conduct were assessed using ideas drawn from Hoffman (1990). Employee satisfaction was measured through elements from De Cremer (2011) and the virtue-ethics framework by Cameron et al. (2004), which highlight trust, integrity, empathy, and similar organizational values. Training and development related to ethical standards were evaluated through questions adapted from Kaptein and Treviño & Weaver. To test the main hypothesis, the characteristics of national cultures were operationalized through variables such as nationality, native language, and multicultural team structures, as these factors influence perceptions of fairness, communication, and ethical expectations within international organizations.

Table 2. Overview of Research Variables by Type, Indicators, and References

Variable	Type (IV/DV)	Indicators	Measurement Scale / References	Hypothesis
National Culture	IV	Power distance; communication norms; uncertainty avoidance; cultural diversity	Hofstede (1980); Radovanović et al. (2022)	Main Hypothesis
Ethical Norms	IV	Transparency; fairness; ability to report unethical behaviour; ethical leadership	Kaptein (2008); Treviño & Weaver (2003)	PH1
Professional Behaviour	DV	Respect; responsibility; ethical conduct; adherence to standards	Hoffman (1990)	PH1
Ethical Standards Implementation	DV	Clear ethical rules; supervisor involvement; ethical training; enforcement consistency	De Cremer (2011); Cameron et al. (2004)	PH2
Employee Satisfaction	DV	Engagement; work climate; perceived support; professional development	De Cremer (2011)	PH2
Education on Ethical Standards	IV	Training frequency; awareness programs; opportunities to discuss ethical dilemmas	Kaptein (2008)	PH3

Source: Author's analysis

3.1 Research Methods and Analytical Procedures

In this study, we employed various scientific methods to approach the research and analysis of ethical challenges in international human resource management within the IT sector in Bosnia and Herzegovina.

In the quantitative part of the research, where the hypotheses were tested, we used a correlational research approach, i.e., a cross-sectional design. First, we analyzed the results of in-depth research and reviewed relevant literature to construct the questionnaire. The questionnaire included questions about the basic demographic data of research participants, their perception of the importance of various elements of organizational culture, and the presence of these elements in their organizations. The questionnaire also included an assessment of the influence of these elements on ethical behavior in their organizations.

It is essential to note that some questions in the survey were adapted from previous research, specifically the questionnaire developed by Kaptein (2008). The following sections provide a detailed description of the research conducted, including information on sample construction and the measurement instruments used.

3.2 Data Analysis Methodology

Data were analyzed in SPSS v22, using several statistical methods suited to the study's objectives. Within descriptive statistics, the following parameters were calculated for each variable and across several respondent groups: minimum and maximum values, range, arithmetic mean, standard deviation as a measure of variability, and the coefficient of variation. Before moving to more advanced analyses, reliability tests were conducted to ensure internal consistency of the scales. This provided an additional check that the items used within each construct fit together logically.

To examine linear associations between variables, the Pearson correlation coefficient was used. This coefficient represents the covariance of standardized values and shows both the strength and direction of the linear relationship between two variables. It is defined as the covariance of the variables divided by the product of their standard deviations (Myers & Well, 2003).

Correlation results also formed the basis for further analysis through multiple regression, which was applied to understand how several predictors together influence a dependent variable. Regression analysis allows examination of the statistical dependence and the strength of influence among variables and is useful when the goal is to see how changes in one factor correspond to changes in another. As described by Biljan-August, Pivac, and Štambuk (2009), regression estimates the conditional expectation of the dependent variable when independent variables are fixed. Several forms of regression analysis exist, but in this research simple and multiple linear regression were sufficient to address the proposed questions.

Each hypothesis was analyzed using the statistical test that best fits the nature of the variables involved. Correlation was used when the goal was to observe linear relationships between constructs, while multiple regression was applied in cases where the intention was to understand the combined predictive effect of several variables. In this way, the analytical techniques were aligned with the structure of the hypotheses and allowed a clearer interpretation of how ethical standards, satisfaction, behaviour, education, and cultural characteristics relate to one another. Participation in the study was voluntary and anonymous. Respondents were informed about the purpose of the research, and no personal identifiers were collected. The data were used exclusively for academic analysis.

3.3 Research Sample

The research included 186 employees from IT companies operating in Bosnia and Herzegovina. These companies work in an international setting, so a purposive sample made the most sense for this topic. The idea was to reach people who are actually part of teams that communicate daily with colleagues or managers outside the country, which is why this type of sample was selected. Due to the industry's structure, it was not possible to use a random sample; however, the number of respondents was still sufficiently large for the planned type of analysis in the study.

Participants differed in age, job positions and backgrounds, which created a reasonably mixed group. Many respondents reported directly to managers located in countries such as the United States or various parts of Western Europe. This information was important because it confirmed that the sample actually reflects the international dimension of the companies included. Most employees worked in medium-sized or large organizations, which is typical for the IT sector in Bosnia and Herzegovina.

The questionnaire was distributed online, mainly because many employees work in hybrid or remote conditions, and this was the only practical way to reach them. This approach

also made participation easier and quicker, likely contributing to the final number of responses being higher than expected.

4. Findings

The results of the survey research are divided into two groups:

a) Results of the sociodemographic characteristics of the respondents and the company characteristics

The analysis of sociodemographic characteristics refers to the examination of the basic characteristics of the sample, to enhance the representativeness of the results. In addition, the thesis examined the basic characteristics of the companies, specifically the respondents' affiliation with a company in relation to job position and similar aspects.

Table 3. Socio-demographic characteristics of the respondents (sample)

Variable/Factor	Category	No.	%
Sex	Male	102	54,8%
	Female	84	45,2%
Age Structure	18-25	39	21,0%
	26-35	108	58,1%
	36-45	36	19,4%
	46-55	3	1,6%
Ethnic/National Affiliation	Bosnian	63	33,9%
	Bosniak	102	54,8%
	Croat	7	3,8%
	Serb	1	0,5%
	Other	6	3,2%
	No declaration	7	3,8%
Native language	Bosnian	179	96,2%
	Serbian	6	3,2%
	Croatian	1	0,5%

Source: Author's analysis

The results of the sociodemographic characteristics show that slightly more than half of the respondents are male. These results differ from data within the EU, which indicate that in 2019, 30% of employees in the European Union were women (ITkarijera.ba, 2019), pointing to positive trends in Bosnia and Herzegovina. Furthermore, regarding age structure, the most represented group is 26 to 35 years old (58.1%). These results also align with the findings of the Market Makers project, which indicates that in the Bosnia and Herzegovina's Information Technology industry, between 60% and 70% of the workforce consists of young professionals under the age of 35 (ITkarijera.ba, 2019).

The largest ethnic representation is Bosniaks, accounting for 55%, while the most widely spoken mother tongue is Bosnian, with a prevalence of 96.2%. The focus on Bosnia and Herzegovina in the research served to present the demographic structure of the workforce in the country. The aim was to analyze the composition of the workforce within Bosnia and Herzegovina, taking into account its diversity and characteristics.

The international aspect is evident through the involvement of managers who are

actively engaged at the international level. This particularly refers to managers who are engaged in the global operations of companies that also operate in Bosnia and Herzegovina. Considering the importance of international connections and interactions in today's business world, this perspective provides a deeper understanding of the impact of the international dimension on the field of human resource management.

In the context of the international dimension and the international character of the research itself, respondents from Bosnia and Herzegovina completed the survey questionnaire together with their direct superiors, who are located in different geographic regions of the world. A majority of superiors are based in the United States, accounting for more than one-third of the sample. Because the United States economy is one of the largest and a leader in the Information Technology industry, the obtained results are not surprising. Additionally, it is worth noting that superiors are represented across three continents, further highlighting the international aspect. A portion of the superiors, 8% of them, are located within Bosnia and Herzegovina.

Table 4. Characteristics of the sector and companies within the sample

Variable/Factor	Category	No.	%
Industry sector	Quinary Sector (information technology)	184	98,9%
	Tertiary Sector (trade and services)	2	1,1%
Company Name	Virgin Pulse	150	80,6%
	Symphony	6	3,2%
	Other	30	16,1%
No. of employees	Up to 10 employees	2	1,1%
	10-100 employees	6	3,2%
	More than 100 employees	178	95,7%
Position in the Company	Executive/Owner	1	0,5%
	Non-managerial staff	156	83,9%
	Manager/Department head	29	15,6%

Source: Author's analysis

The results from the previous table clearly indicate that the research is concentrated on the quaternary sector, i.e., the information technology sector, to which as many as 98.9% of the respondents belong. The most represented company, in terms of the number of respondents, is Virgin Pulse (80.6%), with branches in Sarajevo and Tuzla. In terms of company size, the most represented are companies with over 100 employees, which tells us that the sample is based on medium-sized companies. Regarding positions within the company, the majority of respondents are so-called "regular employees" without any managerial position.

Following the sociodemographic results of the research, the next section presents the study's findings, which aim to confirm the stated research hypotheses. The results of descriptive statistics show that the responses are above the average level.

Ethical codes are prescribed in many companies; however, it is still not legally mandatory for a company to have an ethical code. Company statutes regulate them. In this regard, 92% of respondents reported having a formally prescribed ethical code. This means that there is an internal act according to which employees and management are expected to behave.

Although respondents were largely unanimous regarding the reporting of unethical behavior (88%), the situation with clear rules on sanctioning unethical behavior in companies does not follow the reporting itself. Out of the total number of respondents, 66% believe that

there are clear rules for sanctioning unethical behavior, which actually means that in 22% of cases within the research, unethical behavior is not sanctioned even though it is reported. In addition, 7% of respondents believe that there is no sanctioning of unethical behavior at all.

One of the more significant challenges of ethics in companies is the possibility of acting upon unethical behavior, i.e., the ability to report such behavior without any consequences for the person who reported the colleague's misconduct. In this regard, 88% of respondents believe that it is possible to report unethical behavior in their organizations. This figure is encouraging, as it fosters the development of ethical norms, behaviors, and rules. On the other hand, one-tenth of respondents hold the opposite view, of which 4% believe that it is not possible to report unethical behavior in their organization.

Table 5. Statistical Overview of Results for Confirming the First Auxiliary Hypothesis:

Descriptive Statistics			
Variables	Mean	Std. Dev.	N
Overall, I believe that I work in an organization that operates morally.	4,54	0,806	186
In my organization, I have the possibility to express my own opinion.	4,39	0,806	186
In my organization, there is a possibility to report unethical behavior.	4,52	0,810	186
If necessary, my supervisor will be sanctioned if he/she behaves immorally.	4,10	1,074	186
Management/administration is aware of the types of incidents and unethical behavior that occur within the organization.	4,13	0,980	186

Source: Author's analysis

The results from the previous table show that respondents largely agree with the given statements. The average responses range from 4.10 to 4.54. Respondents expressed the highest level of agreement with the statement that they believe they work in an organization that operates morally (4.54). Regarding the dispersion of the data set, there are no significant deviations among the stated variables, as the standard deviation ranges from 0.806 to 1.074.

To measure the reliability of the model, i.e., the measurement scales, we used the Cronbach's Alpha coefficient. The Cronbach's Alpha coefficient represents a measure of the internal consistency of a set of statements and can take values between 0 and 1. The closer the Cronbach's Alpha coefficient is to the value of 1, the more reliable the measurement scale is. The Cronbach's Alpha for the measurement scale "application of ethical norms in the organization" is 0.839. It is a highly reliable measurement scale.

Table 6. Pearson test for confirming the first auxiliary hypothesis:

Pearson Correlations						
		Overall, I believe I work in an organization that operates morally	In my organization I have the possibility to express my own opinion	In my organization there is a possibility to report unethical behavior	If necessary, my supervisor will be punished if acting unethically	Management is aware of the types of incidents and unethical behavior occurring in the organization
Overall, I believe I work in an organization that operates morally	Pearson correlation	1	0,623**	0,483**	0,426**	0,453**
	Sig. (2-tailed)		0,000	0,000	0,000	0,000
	N	186	186	186	186	186
In my organization I have the possibility to express my own opinion	Pearson correlation	0,623**	1	0,587**	0,445**	0,548**
	Sig. (2-tailed)	0,000		0,000	0,000	0,000
	N	186	186	186	186	186
In my organization there is a possibility to report unethical behavior	Pearson correlation	0,483**	0,587**	1	0,578**	0,545**
	Sig. (2-tailed)	0,000	0,000		0,000	0,000
	N	186	186	186	186	186
If necessary, my supervisor will be punished if acting unethically	Pearson correlation	0,426**	0,445**	0,578**	1	0,686**
	Sig. (2-tailed)	0,000	0,000	0,000		0,000
	N	186	186	186	186	186
Management is aware of the types of incidents and unethical behavior occurring in the organization	Pearson correlation	0,453**	0,548**	0,545**	0,686**	1
	Sig. (2-tailed)	0,000	0,000	0,000	0,000	
	N	186	186	186	186	186

****.** Correlation is significant at the 0.01 level

Source: Author's analysis

The Pearson correlation coefficient test aims to determine the degree of strength of linear correlations between independent variables. The previous table shows the level of linear correlation among the independent variables. The results indicate a generally high level of correlation. The results of the Pearson test demonstrate a linear correlation between all the observed variables. Specifically, the results show that ethical business practices within the organization linearly influence the activities of punishing managers if they behave unethically ($r = 0.426^{**}$), as well as management's awareness of incidents and unethical behavior within the organization ($r = 0.453^{**}$), and the variable of the possibility of reporting unethical behavior ($r = 0.483^{**}$).

This means that achieving ethical business practices within the organization will lead to increased punishment of managers who behave unethically, as well as heightened awareness among management of unethical behavior, which will, in turn, result in greater opportunities for reporting such behavior. Furthermore, the variable that defines the ability to express one's own opinion positively influences the activities of punishing managers if they behave unethically ($r = 0.548^{**}$), as well as management's awareness of incidents and unethical behavior within the organization ($r = 0.445^{**}$), and the variable of the possibility of reporting unethical behavior ($r = 0.587^{**}$).

The research findings can be linked to the study by De Zoysa (2022), which aimed to analyze the encouragement and reinforcement of ethical behavior among employees, as well as the cultivation of a strong culture of professional ethics within organizations. The results demonstrate that professional ethics are essential for every organization in establishing and maintaining a robust ethical culture among employees. Therefore, managers should focus not only on achieving corporate goals while fostering meaningful work relationships but also on promoting ethical behavior among employees.

After the correlation analysis was conducted, and in the context of obtaining the most objective and high-quality results, as well as confirming the stated hypotheses, a multiple regression analysis was performed. To conduct the multiple regression analysis, we first needed to test the model, i.e., the reliability of the measurement scales (factors), using Cronbach's Alpha test.

Table 7. Summary Model of Multiple Regression for the First Auxiliary Hypothesis

Model Summary^b				
Model	R	R Square	Adjusted R square	Standard Error of the Estimate
1	0,694 ^a	0,581	0,570	0,591
a. Predictors: (Constant), P18, P16, P15, P17				
b. Dependent Variable: P14				

Source: Author's analysis

To assess the reliability of the variables that influence the dependent variable within the model, the parameter R-squared (the coefficient of multiple regression) was applied. This coefficient is appropriate given that the model does not contain many independent variables. The R-squared value is 0.581. The results indicate that 58.1% of individual differences, or variability in the respondents' attitudes, can be predicted within the sample population based on individual differences in the independent variables included in the analysis, i.e., based on their linear correlation.

Table 8. ANOVA Test in Regression for the First Auxiliary Hypothesis

ANOVA ^a						
Model		Sum of squares	df	Mean Square	F	Sig.
1	Regression	57,022	4	14,255	40,842	0,000 ^b
	Residual	61,431	176	0,349		
	Total	118,453	180			
a. Dependent Variable: P14						
b. Predictor: (Constant), P18, P16, P15, P17						

Source: Author's analysis

$$F(4;176) = 40,842 \text{ } p < 0,05$$

The F-value in the ANOVA table, which is presented, tests whether the regression model is appropriate for these values. The table shows that the independent variables statistically significantly predict the dependent variable. In other words, the regression model is valid.

Table 9. Multiple Regression Results for the First Auxiliary Hypothesis

Coefficients ^a										
Model		Unstandardized Coefficients		Standard Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	Constant	1,243	0,258		4,815	0,000	0,734	1,752		
	P15 ¹	0,245	0,055	0,308	4,436	0,000	0,136	0,353	0,612	1,635
	P16	0,359	0,071	0,360	5,063	0,000	0,219	0,499	0,583	1,716
	P17	-0,078	0,060	-0,103	-1,283	0,201	-0,197	0,042	0,457	2,190
	P18	0,204	0,065	0,248	3,132	0,002	0,076	0,333	0,468	2,136
a. Dependent Variable: Establishment of Professional Standards of Employee Behaviour										

Source: Author's analysis

Table 9. presents the results of the multiple regression analysis and the impact of independent variables on the dependent variable. The regression model consisted of four independent variables (factors). Three out of the four variables have an effect on the dependent variable, as their significance values are less than $p = 0.05$.

The research results indicate that the discussion of moral dilemmas ($B = 0.245$), the possibility of reporting unethical behavior ($B = 0.359$), and management's awareness of

¹ Independent Variables:

P15 - In my organization, there is a possibility to discuss personal moral dilemmas.

P16 - In my organization, there is a possibility to report unethical behavior.

P17 - If necessary, my supervisor will be punished if they behave immorally.

P18 - Management is aware of the types of incidents and unethical behavior that occur in the organization.

unethical behavior ($B = 0.204$) all have a positive influence on the dependent variable – working in an organization where professional standards of employee behavior are respected.

Table 10. Effectiveness of Ethical Code Implementation in Reducing Reports of Unethical Behavior in the HR Sector

Company	Year of Code of Ethics Adoption	HR Reports of Unethical Behaviour (Before Adoption)	HR Reports of Unethical Behaviour (After Adoption)	Report Index (Post-/Pre Adoption of the Code)
Atlantbh	2018	11	10	90,9%
Comtrade	2016	23	18	78,3%
HTEC	2017	8	5	62,5%
Symphony	2020	3	5	166,7%
Valcon	2017	11	10	90,9%
Virgin Pulse	2019	7	4	57,1%
Zira	2019	9	7	77,8%
Klika	2019	5	1	20,0%
Authority Partners	2017	12	8	66,7%
TOTAL		89	68	76,4%

Source: HR departments

In the context of verifying the first hypothesis, we obtained data from HR departments regarding the number of official reports of unethical behavior before and after the introduction of the ethical code. Only in one company (Symphony) did the percentage increase compared to the period before the introduction of the code. Overall, the percentage decreased by 23.6% in the period after the implementation of the ethical code in the companies from the sample. The obtained results clearly demonstrate that the first auxiliary hypothesis—"the application of ethical norms in organizations operating at the international level contributes to the establishment of professional standards of employee behavior"—was confirmed, as the connection between professional standards of employee behavior and the application of ethical norms was validated.

Table 11. Statistical Overview of the Results for Confirming the Second Auxiliary Hypothesis

Descriptive Statistics			
Variable	Mean	Std. Dev	N
I perform my work tasks in an honest manner	4,86	0,498	186
My immediate supervisor is honest and fair	4,67	0,747	186
In my immediate work environment, it is sufficiently clear how we should behave responsibly	4,63	0,694	186
In my organization, we treat each other with respect	4,52	0,707	186
The organization takes care of the education and professional development of its employees	4,22	0,957	186

Source: Author's analysis

The results of the descriptive statistics show a high level of agreement among respondents regarding the proposed statements. The average responses range between a high 4.22 and 4.86. Respondents expressed the most significant level of agreement with the

statement that they perform their work tasks in an honest manner (4.86). Regarding the dispersion of the dataset, there is a particular variation in the dispersion of data between individual statements, as the standard deviation ranges from 0.798 to 0.957. Cronbach's Alpha for the measurement scale "implementation of ethical standards" amounts to 0.673. This represents an acceptably reliable measurement scale.

Table 12. Pearson Test for Confirming the Second Auxiliary Hypothesis

Pearson correlation						
		I perform my work tasks in an honest manner	My immediate supervisor is honest and fair	In my immediate work environment, it is sufficiently clear how we should behave responsibly	In my organization, we treat each other with respect	The organization takes care of the education and professional development of its employees
I perform my work tasks in an honest manner	Pearson correlation	1	0,368**	0,479**	0,454**	0,357**
	Sig. (2-tailed)		0,000	0,000	0,000	0,000
	N	185	185	185	185	185
My immediate supervisor is honest and fair	Pearson correlation	0,368**	1	0,514**	0,563**	0,547**
	Sig. (2-tailed)	0,000		0,000	0,000	0,000
	N	185	186	186	186	186
In my immediate work environment, it is sufficiently clear how we should behave responsibly	Pearson correlation	0,479**	0,514**	1	0,662**	0,534**
	Sig. (2-tailed)	0,000	0,000		0,000	0,000
	N	185	186	186	186	186
In my organization, we treat each other with respect	Pearson correlation	0,454**	0,563**	0,662**	1	0,506**
	Sig. (2-tailed)	0,000	0,000	0,000		0,000
	N	185	186	186	186	186
The organization takes care of the	Pearson correlation	0,357**	0,547**	0,534**	0,506**	1
	Sig. (2-tailed)	0,000	0,000	0,000	0,000	

education and professional development of its employees	N	185	186	186	186	186
**. Correlation is significant at the 0.01 level						

Source: Author's analysis

Ethics is crucial for understanding how effectively an employee performs. The results of the Pearson correlation test indicate a high level of correlation among all variables. The findings show that performing work tasks in an honest manner has a positive impact on employee education and professional development ($r = 0.357^{**}$), as well as on the fairness and justice of immediate supervisors ($r = 0.368^{**}$). Furthermore, the results also demonstrate a positive linear correlation, i.e., a positive effect of responsible behavior in the immediate work environment and mutual respect within the organization ($r = 0.662^{**}$). The research results correspond with the findings of the study by Al-Nashash et al. (2018), which examined the impact of strong work ethics and ethical standards on job satisfaction among banking employees in Jordan. The results of that study show that work ethics and ethical standards are positively associated with job satisfaction among employees. Moreover, managers must recognize that increasing employee job satisfaction can lead to greater organizational commitment, reduced employee turnover, and higher productivity (Al-Nashash et al., 2018).

Table 13. Summary Model of Multiple Regression for the Second Auxiliary Hypothesis

Model Summary^b				
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	,645 ^a	0,416	0,406	0,539
a. Predictors: (Constant), P13, P5, P6				
b. Dependent variable: P10				

Source: Author's analysis

The R-squared value is 0.416. The results indicate that 41.6% of individual differences, i.e., variability in respondents' attitudes, can be predicted in the sample population based on individual differences in the independent variables included in the analysis, that is, on the basis of their linear correlation.

Table 14. ANOVA Test in Regression for the Second Auxiliary Hypothesis

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	37,466	3	12,489	42,913	0,000 ^b
	Residual	52,675	181	0,291		
	Total	90,141	184			
a. Dependent variable: P10						
b. Predictors: (Constant), P13, P5, P6						

Source: Author's analysis

$$F(3;181) = 42,913 \text{ } p < 0,05$$

The F-value in the ANOVA table, which is presented, tests whether the regression model is appropriate for these values. The table shows that the independent variables statistically significantly predict the dependent variable. In other words, the regression model is valid.

Table 15. Results of Multiple Regression for the Second Auxiliary Hypothesis

Coefficient ^a										
Model		Unstandardized Coefficients		Standard Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Standard Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	0,642	0,408		1,572	0,118	-0,164	1,447		
	P5 ²	0,348	0,088	0,248	3,970	0,000	0,175	0,521	0,831	1,204
	P6	0,310	0,066	0,327	4,684	0,000	0,179	0,440	0,662	1,510
	P13	0,176	0,051	0,241	3,472	0,001	0,076	0,276	0,668	1,497
a. Dependent variable: Mutual Respect and Employee Satisfaction in the Organization										

Source: Author's analysis

The regression model consisted of three independent variables (factors). All variables have a significant effect on the dependent variable, as their p-values are less than 0.05.

The research results show that performing tasks in an honest manner (B=0.348), fairness and justice of immediate supervisors (B=0.310), and concern for the education and professional development of employees (B=0.176) positively influence the dependent variable—mutual

² Independent Variables:

P5- I perform my work tasks in an honest manner.

P6- My immediate supervisor is honest and fair.

P13- The organization takes care of the education and professional development of its employees.

respect and employee satisfaction within the organization.

The results of the previously conducted analysis confirm the second auxiliary hypothesis: "the implementation of ethical standards in organizations operating at the international level positively influences employee satisfaction." This hypothesis is confirmed by the positive linear correlation between the dependent variable, employee satisfaction, and the independent variable, implementation of ethical standards, as well as by the high mean values of all individual indicators.

Table 16. Statistical Overview of Results for Confirming the Third Auxiliary Hypothesis

Descriptive Statistics			
	Mean	Std. Dev.	N
My immediate supervisor is fair and just	4,67	0,747	186
I believe the organization clearly defines how I should behave toward others within the organization	4,59	0,725	185
Moral behavior is highly valued in my organization	4,34	0,869	186
The organization takes care of the education and professional development of its employees	4,22	0,957	186

Source: Author's analysis

The results of the descriptive statistics show a high level of agreement among respondents regarding the proposed statements. The average responses range from a high of 4.22 to 4.67. Respondents expressed the highest level of agreement with the statement that their immediate supervisor is honest and fair (4.86). In terms of data dispersion, there are no major deviations for the observed variables, as the standard deviation ranges from 0.725 to 0.957. Cronbach's Alpha for the measurement scale "implementation of ethical standards" is 0.828. This is a highly reliable measurement scale, indicating that the model's reliability is also satisfactory.

Table 17. Pearson Test for Confirming the Third Auxiliary Hypothesis

Pearson Correlation					
		My immediate supervisor is fair and just	I believe the organization clearly defines how I should behave toward others within the organization	Moral behavior is highly valued in my organization	The organization takes care of the education and professional development of its employees
My immediate supervisor is fair and just	Pearson correlation	1	0,484**	0,549**	0,547**
	Sig. (2-tailed)		0,000	0,000	0,000
	N	186	185	186	186
I believe the organization clearly defines how I should behave toward others within the organization	Pearson correlation	0,484**	1	0,565**	0,531**
	Sig. (2-tailed)	0,000		0,000	0,000
	N	185	185	185	185
Moral behavior is highly valued in my organization	Pearson correlation	0,549**	0,565**	1	0,575**
	Sig. (2-tailed)	,000	,000		0,000
	N	186	185	186	186
The organization takes care of the education and professional development of its employees	Pearson correlation	0,547**	0,531**	0,575**	1
	Sig. (2-tailed)	0,000	0,000	0,000	
	N	186	185	186	186
** . Correlation is significant at the 0.01 level					

Source: Author's analysis

Education is essential for achieving the effects of ethical standards within companies. The previous table shows a high level of linear correlation among the proposed variables (statements). The results of the Pearson test demonstrate a positive linear correlation between

all the observed variables. The results indicate that there is a positive linear correlation between the variable stating that the organization cares about the education and professional development of its employees (with an emphasis on ethical standards) and the variables: the immediate supervisor is honest and fair ($r = 0.547^{**}$), establishing clear guidelines on how employees should treat one another ($r = 0.531^{**}$), as well as the high valuation of moral behavior ($r = 0.575^{**}$).

As we can observe from the previous chart, only one-third of respondents stated that there is a structured training system for employees regarding the ethical code. This figure is insufficient when discussing socially responsible companies. On the other hand, 44% of respondents believe that there may be specific training sessions, which may mean that they are either unaware of them or have never participated in any training within the company. A quarter of respondents categorically stated that no training on the ethical code exists for employees.

Table 18. Summary Model of Multiple Regression for the Third Auxiliary Hypothesis

Model Summary^b				
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	0,708 ^a	0,501	0,489	0,622
a. Predictors: (Constant), P13, P7, P6, P8				
b. Dependent Variable: P11				

Source: Author's analysis

The R-squared value is 0.501. The results indicate that 50.1% of individual differences, i.e., variability in respondents' attitudes, can be predicted in the sample population based on individual differences in the independent variables included in the analysis, that is, based on their linear correlation.

Table 19. ANOVA Test in Regression for the Third Auxiliary Hypothesis

ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	69,853	4	17,463	45,103	0,000 ^b
	Residual	69,693	180	0,387		
	Total	139,546	184			
a. Dependent Variable: P11						
b. Predictors: (Constant), P13, P7, P6, P8						

Source: Author's analysis

$$F(4;180) = 45,103 \text{ } p < 0,05$$

The F-value in the ANOVA table, which is presented, tests whether the regression model is appropriate for these values. The table shows that the independent variables statistically significantly predict the dependent variable. In other words, the regression model is valid.

Table 20. Results of Multiple Regression for the Third Auxiliary Hypothesis

Coefficient ^a										
Model	Unstandardized Coefficients		Standard Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics		
	B	Standard Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF	
1	(Constant)	-0,053	0,351		-0,151	0,880	-0,746	0,640		
	P6 ³	0,245	0,078	0,210	3,151	0,002	0,091	0,398	0,625	1,60
	P7	0,125	0,101	0,104	1,233	0,219	-0,075	0,324	0,392	2,55
	P8	0,375	0,107	0,299	3,489	0,001	0,163	0,587	0,378	2,64
	P13	0,223	0,062	0,245	3,570	0,000	0,100	0,346	0,587	1,70
a. Dependent Variable: Implementation of Ethical Standards										

Source: Author's analysis

The regression model consisted of four independent variables (factors). All variables influence the dependent variable, as their values are significant given that their p-values are less than 0.05.

The research results show that fair and just immediate supervisors (B = 0.245), the clear establishment of rules and procedures for relationships within the organization (B = 0.125), clarity of behavior within the organization (B = 0.375), and concern for the education and professional development of employees (B = 0.223) positively influence the dependent variable—the implementation of ethical standards.

These research results can be linked to the study by Rahman et al. (2020), which examines the challenges in implementing ethics and ethical standards. The study reveals that organizations become ineffective due to the lack of implementation of ethical practices and standards. One of the consequences is the absence of training programs, or the presence of poor-quality training programs on ethics, as well as the lack of knowledge and education among employees and managers regarding ethical issues and solutions. The previous results confirm the third auxiliary hypothesis: "the lack of employee education on ethical standards in organizations operating at the international level negatively affects the implementation of ethical standards."

³ Independent Variables:

P6- My immediate supervisor is honest and fair.

P7- I believe that the organization sets sufficiently clear guidelines on how I should treat others within the organization.

P8- In my immediate work environment, it is sufficiently clear how we should behave in a responsible manner.

P13- The organization takes care of the education and professional development of its employees.

Table 21. Statistical Overview of the Results for Confirming the Main Hypothesis

Descriptive Statistics			
	Mean	Std. Dev	N
Level of employee awareness of management's ethical behavior, the importance of organizational values, and clear communication of ethics and integrity	4,37	0,879	186
Employee satisfaction through salary levels and trust-based relationships within the company	4,13	0,794	186

Source: Author's analysis

The results of the descriptive statistics show a relatively high level of agreement among respondents regarding the proposed statements. The average responses range between 3.66 and 4.37. In terms of data dispersion, there are no major deviations among the observed variables, as the standard deviation ranges from 0.776 to 1.182. Cronbach's Alpha for the measurement scale "characteristics of national cultures" is 0.528. This indicates weak but acceptable reliability of the measurement scale, i.e., the model.

Table 22. Pearson correlation test for confirming the main hypothesis

Pearson Correlation					
		Nationality	Language	Level of employee awareness of management's ethical behavior, organizational values, and communication of ethics and integrity	Employee satisfaction through salary levels and trust-based relationships within the company
Nationality	Pearson correlation	1	0,051	0,059	0,040
	Sig. (2-tailed)		0,485	0,421	0,591
	N	186	186	186	186
Language	Pearson correlation	0,051	1	0,914**	0,954**
	Sig. (2-tailed)	0,485		0,000	0,000
	N	186	186	186	186
Level of employee awareness of management's ethical behavior, organizational values, and	Pearson correlation	0,059	0,914**	1	0,750**
	Sig. (2-tailed)	0,421	0,000		0,000
	N	186	186	186	186

communication of ethics and integrity					
Employee satisfaction through salary levels and trust-based relationships within the company	Pearson correlation	0,040	0,954**	0,750**	1
	Sig. (2-tailed)	0,591	0,000	0,000	
	N	186	186	186	186
** . Correlation is significant at the 0.01 level					

Source: Author's analysis

The characteristics of national cultures (such as nationality, language, ethnicity, religious affiliation, etc.) are often significant predictors of specific ethical codes and behaviors in organizations, particularly in the case of multinational companies. The results of the Pearson test in the previous table show a low level of linear correlation among the proposed variables (statements). The Pearson test results express a positive linear correlation between all observed variables. The results indicate that the characteristics of national cultures, as represented by the variables nationality ($r = 0.059^{**}$) and language ($r = 0.914^{**}$), have a positive influence on employees' awareness of management's ethical behavior, the importance of organizational values, and the clear communication of ethics and integrity. Furthermore, nationality ($r = 0.040^{**}$) and language ($r = 0.954^{**}$) also have a positive effect on the variable employee satisfaction, particularly in terms of salary levels and trust relationships within the company.

These findings can be linked to the results of Crocarno's (2015) study, which examined the impact of national culture (ethnic affiliation) on ethical standards and potential differences in the ethical decision-making process. The results revealed that dimensions of national culture positively affect the manner in which ethical standards and decisions are formulated and implemented.

Following the correlation analysis, and in the context of obtaining the most objective and high-quality results as well as confirming the proposed hypotheses, a multiple regression analysis was conducted. To perform the multiple regression analysis, it was first necessary to test the model, i.e., the reliability of the measurement scales (factors), using Cronbach's alpha test.

Table 23. Summary Model of Multiple Regression for the Main Hypothesis

Model Summary^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,878 ^a	0,771	0,769	0,396
a. Predictors: (Constant): Language, Nationality				

Source: Author's analysis

To assess the reliability of the variables that influence the dependent variable within the model, the R-squared parameter (the coefficient of multiple regression) is applied. This coefficient is appropriate because the model does not include many independent variables. The R-squared value is 0.771. The results indicate that 77.1% of individual differences, i.e.,

variability in respondents' attitudes, can be predicted in the sample population based on individual differences in the independent variables included in the analysis, that is, based on their linear correlation.

Table 24. ANOVA Test of Regression for the Main Hypothesis

ANOVA ^a						
Model		Sum of Squares	df	Mean	F	Sig.
1	Regression	97,159	2	48,579	308,46	0,000 ^b
	Residual	28,820	183	0,157		
	Total	125,978	185			
a. Dependent Variable: Success of Ethical Standards Implementation						
b. Predictors: (Constant: Language, Nationality						

Source: Author's analysis

$$F(2;183) = 308,46 \text{ p}<0,05$$

The F-value in the ANOVA table, which is presented, tests whether the regression model is appropriate for these values. The table shows that the independent variables statistically significantly predict the dependent variable. In other words, the regression model is valid.

Table 25. Results of Multiple Regression for the Main Hypothesis

Coefficient ^a								
Model		Unstandardized Coefficients		Standard Coefficient	t	Sig.	Collinearity Statistics	
		B	Standard Error	Beta			Tolerance	VIF
1	(Constant)	0,350	0,170		2,061	0,021		
	Nationality	0,224	0,025	0,044	0,958	0,039	0,997	1,003
	Language	0,935	0,038	0,879	24,836	0,000	0,997	1,003
a. Dependent Variable: Success of Ethical Standards Implementation								

Source: Author's analysis

The table below presents the results of a multiple regression analysis, showing the impact of independent variables on the dependent variable. The regression model consisted of two independent variables (factors). Both variables influence the dependent variable, as their p-values are less than 0.05, indicating that their values are significant.

The research results indicate that discussions about respondents' nationality ($\beta = 0.224$) and language ($\beta = 0.935$) have a positive impact on the dependent variable—the successful implementation of ethical standards.

Starting from the assumption that employees' perceptions may be linked to national culture and ethical standards, the results can be compared to those of Radovanović et al. (2022), who examined the relationship between corporate social responsibility, ethics, and employees'

perceptions of national culture. The findings showed that the perception of corporate social responsibility, ethical standards, and national culture largely depends on company ownership. Specifically, employees' perceptions of corporate social responsibility and ethical standards are influenced by their perceptions of national culture in public companies, but not in private ones.

The results of this study confirm the main hypothesis: "The characteristics of national cultures influence the success of implementing ethical standards." This hypothesis was confirmed since a positive correlation was established between the dependent variable—success in applying ethical standards—and the independent variable—characteristics of national cultures.

5. Discussion

The research results provide a broader understanding of the ethical challenges in Human Resource Management, encompassing ethical norms, behaviors, employee satisfaction, and training. Findings indicate the need to introduce by laws and ethical codes of conduct for the Information Technology sector in Bosnia and Herzegovina, particularly in medium and large companies, to reduce challenges and support management.

Investing in education, training, and capacity building is shown to be a key determinant of employee satisfaction, which in turn directly influences business performance. Such practices can be transferred across international organizations if at least one part already demonstrates strong ethical awareness. Employee satisfaction emerges as a crucial factor in fostering ethical behaviors, reducing conflicts, and promoting fairness. In global contexts, this requires harmonizing working conditions across subsidiaries.

The study also highlights the difficulty of monitoring ethical standards in international Human Resource Management, as norms often depend on local contexts. Despite its contributions, the research faces several limitations: the sample of 186 respondents raises concerns about representativeness, and the study does not address all stakeholders (customers, regulators, and shareholders) or all Human Resource functions. Furthermore, the exclusive focus on Bosnia and Herzegovina employees limits the analysis of cross-national dynamics, as broader samples would have allowed comparisons across countries.

Another key limitation is the absence of benchmarking with other multinational companies. Such comparisons would enable evaluation of the Bosnia and Herzegovina's Information Technology sector against international practices and provide stronger insights into global standards.

5.1 Research Recommendations

This study recommends that Information Technology companies in Bosnia and Herzegovina strengthen their ethical practices through several key measures. First, it is essential to introduce written codes of ethics in companies where they do not exist, or to make them a legal requirement, as the findings show that such codes help create stronger organizational cultures and more consistent ethical behavior. In addition, companies should focus on improving teamwork, communication, and relations between management and employees, since such improvements facilitate the implementation of ethical standards. Regular employee surveys are also important for evaluating job satisfaction, organizational climate, and leadership behavior. Additionally, sector-specific research should be encouraged to provide deeper insights into international Human Resource Management challenges and facilitate comparisons across industries.

Furthermore, companies operating as part of international groups should harmonize ethical standards between parent organizations and subsidiaries to ensure consistency of results. Transparent and fair recruitment and selection processes must also be implemented to respect candidate rights and eliminate discriminatory practices. It is equally important to involve subsidiaries in the development of new standards and policies, while simultaneously investing in employee education and training on ethics at group or regional levels. Finally, future studies should expand the research sample across multiple countries to provide a more comprehensive understanding of cross-national differences. At the same time, it is necessary to acknowledge the limitations of this study, which focuses only on Bosnia and Herzegovina, to ensure a transparent interpretation of the findings and create a rationale for future comparative research.

5.2 Expected Scientific Contribution

The expected scientific contribution of research on ethical challenges in international human resource management is reflected in the following:

- ***Understanding Ethical Challenges in International Human Resource Management:*** The study contributes to understanding the key ethical issues that arise in international Human Resource Management and their consequences for employees and society as a whole.
- ***Development of possible solutions:*** The study presents concrete solutions for addressing ethical challenges in international Human Resource Management, thereby ensuring the protection of employee rights and the organization's social responsibility.
- ***Proposing concrete recommendations:*** The study proposes specific recommendations for implementing ethical standards in international Human Resource Management, ensuring compliance with workers' fundamental rights.

Business ethics represents a system of core values and rules of conduct in company operations. Managerial ethics, as part of business ethics, focuses on managers who play a key role in managing business operations. Managers are responsible for creating a healthy work environment, promoting ethical behavior, and fostering effective communication and trust at all levels.

6. Conclusion

In conclusion, the findings of this study suggest that ethical guidelines actually matter only when they are truly lived in everyday work, not just written down in a document no one thinks about. Through the research, it became evident that ethical codes can influence behaviour and shape the overall culture, but only when they are clearly explained and consistently applied in practice. HR plays a crucial role in maintaining these standards and keeping them visible, which is why continuous education and raising awareness remain essential. Working in an international environment adds another layer of complexity, since companies have to navigate different cultural expectations and legal systems. Still, when an organization genuinely puts ethics at the center of how it manages people, the benefits are visible: employees feel more supported, trust grows, and the work environment becomes healthier. Ethical practices also help companies attract and retain talent, mitigate unnecessary risks, and foster a stronger culture. And when employees are included in decisions, they feel more connected, which only strengthens the organization as a whole. Success depends on integration into organizational practices, training, and open communication.

When comparing these findings with research conducted in similar contexts, several

parallels emerge. De Zoysa (2022) reports that clearer ethical procedures tend to reduce misconduct, which aligns with the reduction observed in this study after the implementation of ethical codes. Likewise, Al-Tarawneh (2020) emphasizes the role of ethics-related training in strengthening trust and cooperation, a pattern also visible in our results. Research on national culture, including work by Crocamo (2015) and Radovanović et al. (2022), reveals that individuals' cultural and linguistic backgrounds influence their perceptions of fairness and ethical responsibility. Although the strength of these effects varies across studies, they all point in the same direction: cultural context influences the extent to which ethical standards become integrated into everyday practice in international companies.

When examining the IT sector in Bosnia and Herzegovina specifically, this research provides valuable insights into the sector's development, and the role multinational companies play in this process. The survey results underline that ethics plays a central role in maintaining organizational integrity. The sample is primarily composed of younger professionals working in medium-sized firms, and most of them hold non-managerial roles, providing a grounded view from the employee level. Strong correlations between ethics and accountability further point to the importance of transparency (De Zoysa, 2022).

Confirmation of the first hypothesis indicates that implementing ethical standards fosters professional behavior. Reports suggest a 23.6% decrease in unethical incidents following the adoption of codes. The importance of national culture in implementing standards was confirmed, with correlations between nationality/language and awareness (Crocamo, 2015; Radovanović et al., 2022).

This study is accompanied by several limitations that should be considered when interpreting the results. The sample includes employees only from IT companies in Bosnia and Herzegovina, and one company is represented more than the others, which limits how far the findings can be generalized. The data were collected using a cross-sectional, self-report survey, which means the results capture employees' perceptions at a single point in time. In addition, the study relies only on employees' viewpoints and does not include input from headquarters leadership, regulators or other stakeholders. Because of these factors, the findings should be interpreted as indicative rather than definitive. Future research would benefit from larger samples and a more diverse, international participant base.

Despite its limitations in sample size and geographic scope, this research underscores the need for stronger ethical regulations within the IT sector in Bosnia and Herzegovina, as well as increased investment in training and awareness. The study provides valuable insights and a solid foundation for future research. Key recommendations include introducing formal ethical codes, enhancing teamwork and communication, and utilizing additional surveys or sector-level comparisons to inform decision-making. Applying these measures could significantly strengthen ethical practices in international Human Resources Management. Overall, the study contributes to a deeper understanding of how ethics and International HRM intersect and highlights the crucial role HR professionals play in addressing these challenges.

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