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FACTORIAL ANALYSIS OF THE CORRELATION BETWEEN BUSINESS ETHICS AND ANTI-COMPETITIVE BEHAVIOUR ON THE ROMANIAN MARKET

Abstract. *The relationship between ethics and anti-competitive behaviour is a very complex, sensitive issue and not very often treated in (documented in) literature. Business ethics is invoked when anti-competitive behaviour is used especially in the relationship with direct competitors. Agreements to fix prices or to share specific market segments between two competitors are not ethical compared to other direct competitors. In the present paper we tested the relevance of the ethical concept for those respondents that declared that they used anti-competitive practices on the Romanian market through hard-core practices. The research is based on the answers provided by 425 companies included in the survey.*

Key Words: Competition, Ethics, Antitrust**.**

JEL Classification: D41, F12, F15, C14

I. INTRODUCTION

The relationship that exists between ethics and law, especially from a business perspective, is still generating controversial debate. There is an empirical perception that, more often than not, business success has been not only independent from ethics but even a result of unethical business practices. Individuals who have adopted unfair (immoral) practices, in some specific circumstances, have succeeded in gaining competitive advantages that allowed them to win over competitors and get market power in their industry and, consequently, injured/prejudice (abuse) their consumers. This perspective is increasingly criticized by the academic environment and researchers specialized in business disciplines. They have pointed out that unfair and immoral business practices are not only unsustainable, but worsen the position of the company towards its different categories of stakeholders. As a general rule, a legal framework has always been considered to be a subset of ethics but when a new set of autonomous laws are adopted by public authorities in order to reach certain policy objectives, such a legal framework will work towards the support of its own norms of ethics.

From this point of view a regulatory framework in the field of competition, by its promotion of an idealistic economic behavior, may have as a consequence the proliferation of a specific set of ethics, based on the "equality of chances" for all the businesses on the market and the condemnation of the practices that have the goal of "extracting rents" from consumers through the use of the market position of the company.

2. BUSINESS ETHICS

In the theory, business ethics is considered to be the applied ethics that emphasize the moral aspects of the trading activity. Looking from this perspective of moral reflection on trade, business ethics could be considered probably as old as individual exchange itself. If the law is considered the framework to widely-held moral intuitions (see for more Goodin, 1985), the adopted Code of Hammurabi (around 1700s B.C.), that fixed prices and tariffs and established common rules for trade and attributed penalties for breaking them is a good evidence for this moral incentives associated to commercial activity. This field was consecrated as academic discipline only since four-five decades old: Baumhart's (since 1961) studies are considered to be the first articulated academic approaches in this field. DeGeorge (2005) continued these first theoretical attempts during 1970s, identifying Baumhart as a initiator to a self-conscious academic business ethics. The role of companies in this field and the relationship with the social order was firstly analyzed in the works of Donaldson (1982) and the works of Werhane's (1985). Over the last decades, business ethics specialists adopted a large variety of positions on the question whether the company could be a moral person or moral agent. French (starting with 1979) offered strong arguments in the favor of existing features of the corporation and corporate decision with a clear moral dimension. He is of the opinion that corporations have corporate internal decision (CID) structures that provide sufficient grounds for attributing moral agency to them. The elements of moral agency could be found the way of action, aiming, mixing resources.. Therefore, in the opinion of French, corporations could be considered both legal and moral persons, and hence moral agents in their own right. An opposite opinion was presented by Velasquez (1983) that argues against French considering that the corporate structures are the product of human agency and design. The society and the market offered rules of cooperation among individuals who, given *their* actions, intentions, and aims, associate within a corporate structure. Assigning moral agency to companies it is offered a new perspective to the approach that a business structures can be morally responsible for something no natural person connected with is responsible for. Some authors analyzed the relationship between business strategies and business ethics, and tried to observe how competition and ethics are linked with and influenced by one another.

Davidson (2002) emphasized that good business strategies are firmly grounded in good business ethical values. He was focused on the idea to connect together the most important issues of business strategy with some of the micro and macro implications of new elements of governance – ones that put customers first, take a longer term perspective on customer relationships, and deal with some

of the softer areas of leadership by boards. He argues that determining and delivering value to a customer lies at the heart of strategy and that it is important for companies to take a longer view of their customers and relationships by "creating services on behalf of customers", thus acting ethically. "You can't create services well on behalf of your customers if you are overpaying your CEO, misrepresenting your earnings, over-charging your customers. And your capital investment decisions look a whole lot different if you are putting your customers first" argues Davidson.

Davidson is also arguing that the ethical challenge in companies is often triggered by financial problems, because when these problems occur, it is tempting to do business with people you might not normally choose to do business with or in ways that you might not normally use. It is very hard to consider ethical issues when a company is in trouble ("Some would suggest that *an ethical decision is one that costs you something*; so trading off short term losses for longer term gain is not really a hard ethical decision; rather, it is a sound pragmatic decision, particularly if you are highly profitable"). Thus, he is stressing the fact that a good strategist must not only have a long term view of the business, but also a short term view built around minimizing capital requirements. In his article, Davidson describes seven types of unethical behavior and offers 10 ways to prevent it, such as leadership; a long term perspective; measurement and in particular expanding the importance of non-financial measures of strategic drivers of profitability; reviewing on a regular basis emerging ethical issues such as privacy, genetic screening; etc.

Shleifer (2004) also studied the competition and the unethical behavior of the companies, but he tried to understand why sometimes this behavior came as a consequence of market competition (by proposing five censured activities: employment of children, corruption, excessive executive pay, corporate earnings manipulation, and involvement of universities in commercial activities) and what strategies can be used to reduce or eliminate the unethical conduct. In four of the examples he discusses, the censured behavior reduces costs and in the last one, it raises revenues, thus being considered by the companies as a method to reduce their expenses. The author supposed that the owner of the firm values ethical behavior, but that such behavior is a normal good: "when sanctioned behavior by competitors reduces their costs, it also reduces prices in the market, and as a result the proprietor's income falls. When his income falls, so does his own demand for ethical behavior, leading to the spread of censured practices".

The strategies that Shleifer presents in his article "Does Competition Destroy Ethical Behavior?" to reduce such behaviors are involving increasing amount coercion and are the following: long-run market pressure, moral persuasion, and government regulation. But analyzing how these strategies will work in reducing the unethical practices used by the companies, the author is not so sure that those strategies could work. For example, he argues that even if in the long run the markets could cure the unethical problems, in the short run people will still use this behavior in order to survive on the market: "If public opinion really turns against child labor, firms that do not hire children will be able to charge higher prices. Firms that pay executives to pump up their stock, or manipulate their earnings, will face eventual investor disappointment and a higher, not lower, cost of capital. And

universities that over commercialize their activities will lose serious faculty and students. But these arguments about long-run competition are not compelling. While public opinion may exert pressure in the long run, in the short run people want cheaper shoes, and most do not care who makes them. Emerging-market subcontractors refusing to hire children, counting on the tide in consumer sentiment for adult-made shoes, surely cannot survive". And even if the government offers regulation on unethical behavior, there are countries where its enforcement powers are limited, but even in other countries where this is not applied, when the government "pursues benevolent policies (which is far from universal), when it battles against cost-reducing competition, it is likely to lose".

Thus, the conclusion that Shleifer reached in his article is that the competition is the fundamental source of technological progress and wealth creation around the world and that "the very same market forces that might encourage unethical conduct also motivate firms to innovate and create new products, leading to economic growth. As societies grow richer, their willingness to pay for ethical behavior, through both government enforcement and private choice, increases as well. As a consequence, both moral and regulatory sanctions work better in the richer countries, leading to more ethical behavior".

Also, as Friedman (2004) observed, as "societies grow richer their views of what is ethical change as well". Until this point the unethical behavior of firms against their competitors was studied, but how is the work ethics of managers impacting a firm's employment contracts, risks, growth potential, and organizational structure?

Traditionally, agency theory is founded on the principle that managers of the business entities "are egoistic and must be given incentives to act in the best interests of the firm" (Carlin and Gevais, 2009). However, this approach largely ignores the fact that few managers naturally act without due diligence and there is no moral hazard issue. This problem is analyzed by Brennan (1994), who argues that it could be identified significant difference among acting as "rational manager" and acting as "self-interested manager". Therefore, to assume that rational managers are always egoistic within a company structure is very reductionist. Indeed, even Aristotle (in *Nicomachean Ethics*), considered ethical standards to be commonly adopted in a civilized society at the level of each acting individual. The same perspective is assumed by Akerlof (2007) that analyze the impact of social norms on the overall economy and on the individual decisions. This relationship between personal incentives and pressures induced by society (as morals) has been observed from different perspectives: psychology (see Judge and Ilies, 2002), juridical perspective (see Bohnet, Frey and Huck, 2001, and Shavell, 2002), political science (e.g. Rose-Ackerman, 1999), and economics (e.g. Frank, 1987 and Sen, 1987). The common approach of these authors is that ethical individuals act within a self-imposed moral framework.

Bruce Ian Carlin and Simon Gervais (2009) studied the employment on the competitive labor market, the ethical behavior of the agents and the effect that this agents' behavior could have on the company's growth and risk taking decisions. They observed in the study that companies are less aggressive in their choice among different interesting projects when they know that the pool of agents from which they hire is highly ethical. "Because virtuous agents are better matched with safer projects, firms switch from a high-risk strategy that requires incentive contracts and costly risk-sharing to a low-risk strategy and cheaper

ethics-based contracts when the labor population's ethics improve. Thus, firms located in areas or countries known for their high morality standards should not only offer flatter compensation contracts, but also pursue a real investment strategy that is less aggressive and less volatile." After looking to the optimal employment contract (using a sequential hiring game and then a simultaneously hiring game), the authors said that: "competition for skilled, scarce labor force reduces the possibility that ethics-based contracts survive and makes it less likely that virtue creates value in the economy" and that "this prediction is consistent with the observation made by Shleifer (2004) that competition discourages firms from relying on ethics. However, whereas Shleifer (2004) postulates that this is due to an increase in unethical behavior, we show that this may arise from the optimal behavior of firms competing for labor. In other words, competition reduces the economic value of virtue, but not necessarily the extent of it."

International business ethics is also well debated, due to the fact that doing business transnationally implies a number of aspect that have no correspondence in business deals done within a single country or legal jurisdiction. The possible conflict between ethical norms associated to different cultural practices is more relevant in case of international business. Few debates on international business ethics agreed on this home country versus host country problem as key point. On one hand, respecting host country norms is a way to be closer to the host culture and its members. Therefore, business representatives are advised that when in Germany they should act as the Germans respecting the ethical values not only the etiquette. On the other hand, business persons are advised to resist host country norms that are morally not acceptable. Doing business in a country where bribery is a way of action is not ethical to be accepted as it is.

International business ethics supposes new dimensions and facets as globalization occurred. One of the most debated ethical problems is around the practice of hiring of workers from less developed countries at unfair low wages and inappropriate working conditions to produce goods for the developed world. DeGeorge (1993) proposed ten guidelines for management of multinational companies with business in less developed countries and talking about: "harm, doing good, respecting human rights, respecting the local culture, cooperating with just governments and institutions, accepting ethical responsibility for one's actions, and making hazardous plants and technologies safe".

2. ETHICS AND ANTITRUST

Several analysts (Hemphill, 2004) have debated two models of public policy that authorities may adopt regarding the business ethics: the promotion of the *moral manager model* or the promotion of *the moral market model*. In the first case, managers have to rationalize and choose according to a set of moral principles when they are called to take decisions. The goal of the business ethics is to train these managers in order for them to think and act as moral persons: "respect for the rights and concerns of all affected parties is given independent force in the leader's operating consciousness" (Goodpaster, 1991). At the organizational level, ethics must be strongly promoted by the companies in order to ensure itself

that its agents operate as moral persons. In the second case, the markets and not the individuals are the focus of the business ethicists. A primary role is played by the corporate governance of the companies where minimizing individual discretion, favoring the rules and promoting of a wider representation of different categories of stakeholders in the Board of Directors of the firm are central. Moreover, numerous analysts (Hendry, 2001) do not see the two models as conflictual and mutually exclusive but mutually supportive.

From the perspective of seeking profits, it is understandable that companies attempt to escape the yoke of fierce competition, using illegal business practices, immoral or un-ethical. For example, to enhance their competitive advantage on the market, firms increasingly forge long-term relationships with strategic partners. Such efforts are supported by a substantial literature on long-term relationships within buyer-seller channel alliances (Anderson and Narus, 1984; Boyle and Dwyer, 1995; Bucklin and Sengupta, 1993; Day, 2000; Dwyer et al., 1987; Ganesan, 1994; Macneil, 1980; Mohr and Spekman, 1994; Morgan and Hunt, 1994; Varadarajan and Rajaratnam, 1986; Wilson, 1995; Zaheer and Venkatraman, 1995).

Because a firm cannot build close relationships with all its suppliers and customers, it will often try to collaborate extensively with a few of them (MacDonald, 1995). If such relationships limit substantially competition or discriminate among different classes of distributors, then they may violate antitrust statutes, an unintended consequence (Fontenot and Hyman, 2004). This is the area where anticompetitive behavior and un-ethical aspects are strongly correlated. The question is to what extent the companies are aware about the fact that anti-competitive practices such as vertical agreements are not only illegal from the competition law perspective but also an un-ethical behavior versus their business partners.

The fight among competitors over gaining competitive advantage can influence "the optimal degree of competition"; too much competition might lead to disincentives to invest in a country and might, in fact, reduce the prospect for growth and economic development (Jenny, 2001). Affecting the optimal degree of competition, the optimal degree of competitiveness is also negatively influenced, remaining competitors on the markets enjoying thus the newly gained benefits, while consumers have to comply with the new market offer.

In this paper, we analyze the behavior of Romanian companies in terms of anti-competitive practices such as horizontal understandings and their perception related to the correlation between ethics and competition. The results are part of a larger research based on a survey among 425 Romanian companies, which allowed us to draw significant conclusions about the Romanian business environment and the perception of companies about business and ethics.

3. METHODOLOGICAL ISSUES

The general goal of the present research is the understanding of the competitive behavior of Romanian companies and the analysis of their perception of the relation between business ethics and anti-competitive behaviour.

The paper's specific objectives are:

a. Identification of the company's position on the market through the market share and the presence of the competitive strategy within the company

b. Identification of the horizontal anti-competitive practices for the respondent companies that present an increased sensitivity from the point of view of the competition legislation and ethics
c. Understanding top management's perceptions on the relationship between business ethics and fair competition
d. Performing a factorial analysis based on different non-parametric tests, in order to observe the importance of some factors (market position expressed by market share and size of the company expressed by the number of employees) on the tested aspects related to the anti-competitive practices and ethics in business

Sampling scheme

To ensure that the sample is representative, a randomly simple sampling scheme was employed. This sampling method offers to all units of the population under investigation an equal chance to be selected and included in the structure of the research sample.

Therefore, the selection of the companies included in the research sample was done randomly, using the database with companies of the Romanian Ministry of Finance. The recruitment of respondents was performed over the telephone, the interview operators arranging a meeting with the general manager or the sales / marketing directors to fill in the questionnaire face-to-face.

Making appointments to fill in all the 425 questionnaires meant that a number of 700 top managers were contacted over the phone with a 60.71% success rate in the recruitment stage. The main reasons for rejecting were: the unavailability of the manager or the sales/ marketing directors (72%) and the lack of interest in participating in the market research study (28%).

Structure of the sample

We used a sample of 425 Romanian companies, whose managers were interviewed on their market practices and techniques used in customer/distributors relationships. The total number of companies acting on the Romanian market, as of 2008, was 318,728, which means that, assuming a normal distribution, our sample size admits an error of less than 5%, which is suitable for the analysis.

The classification of the companies according to their market share (Q8), as estimated by their managers, is presented in Table 1 below:

Table 1. The classification of the companies by their market share

Market share (%)	*Number*	*%*
Below 5	193	45.41
5-14.99	100	23.53
15- 30	83	19.53
Over 30	39	9.18
Total	425	100

The companies with less than nine employees are dominant in our sample (36%), then companies with less than 49 employees (29.41%). However, this structure is relevant for the Romanian market (there is a similar situation in European Union

too, where more than 90% of the total companies are SMEs). Table no 2 reflects the structure of the sample based on the number of employees (D3):

Table 2. Sample structure based on number of employees

Number of employees	*Number of respondents*	*% of respondents*
2-9 employees	153	36
10-49 employees	125	29.41
50-249 employees	67	15.76
250-999 employees	41	9.65
over 1000 employees	39	9.18
Total	425	100

Factorial analysis

For the factorial analysis of responses we proposed different non-parametric tests, in order to observe the importance of selected factors on the tested issues related, in our case, to business ethics practices[1]:

- *Independent group T-test*: is a test of the null hypothesis that the means of two normally distributed respondents are equal. The formula of this test divides the difference between the means (the signal) that to the measure of variability (the noise) that may make it difficult to observe if the groups are statistically different:

$$t\ value = \frac{signal}{noise} = \frac{X_T - X_C}{\sqrt{\frac{Var_T}{n_T} - \frac{Var_C}{n_C}}}$$

Where: n_T and n_C are the number of respondents associated to each group.

This test divides the group of respondents into only two groups according with sample structure (e.g. big companies vs. small companies, international vs. local companies).

- *Mann – Whitney non-parametric test*: it is used to test the null hypothesis that two independent samples come from the same population. The benefit of this test over the others is that it does not assume normality of answers and can be applied on ordinal variables. This test it is based on the following formula:

$$U = n_1 n_2 + \frac{n_2(n_2+1)}{2} - \sum_{i=n_1+1}^{n2} R_i$$

[1] Non-parametric tests are recommended to test whether or not the values of a particular variable differ between two or more groups (top and middle management position in the company for those persons that answered to the questionnaire).

Where: U = Mann – Whitney indicator
n_1, n_2 = sample size (number of respondents)
Ri = Rank of the sample

This test establishes also only two groups in the independent variable (for instance in case of managerial position this test accepts only two groups: top management position and other managerial position). In fact, this test divides again the group of respondents into two independent groups according to different factors like size of the company, market experience etc. and will test the interdependence between the answers provided by those groups to the same specific question about business ethics practices.

- *Kruskal – Wallis non-parametric test*: is used to compare three or more groups of sample data. Kruskal- Wallis test is used when assumptions of t-test are not met. This test is based on the following formula:

$$H = \frac{12}{n(n+1)}\sum_{i=1}^{k}\frac{R_i^2}{n_i} - 3(n+1)$$

Where: H = Kruskal- Wallis test
n = total number of observations in all samples
Ri = Rank of the sample

According with the methodology, Kruskal- Wallis non-parametric test is approximately a chi-square test, with k-1 degree of freedom. If the computed value of Kruskal- Wallis test is less than the chi-square table value, then the null hypothesis will be accepted. Similarly, if the calculated value of Kruskal- Wallis test H is greater than the chi-square table value, then we will reject the null hypothesis and say that the sample comes from a different population.

From the questionnaire applied on the managers from Romanian companies we selected the following relevant questions for practices in the field of competition strategies:

- Question testing the relationship between fair competition and business ethics (Q21) and question about the techniques used for marketing strategies (Q18);
- Question testing the relationship between fair competition and business ethics (Q21) and question about the effects of collaboration with competitors (Q15);
- Question testing the relationship between fair competition and business ethics (Q21) and company's importance on the market measured through market share (Q8);
- Question testing the relationship between fair competition and business ethics (Q21) and company size measured through the number of employees (D3).

Table 3. Types of hard-core agreements between the companies in the sample

Type of hard-core agreement	No of the respondents	% of the respondents
Price setting	71	16.71
Sharing markets or customers	92	21.65
Sharing production/ selling quotas	22	5.18
Eliminating competitors in public auctions	22	5.18
Excluding a competitor, supplier or buyer	14	3.29
Exchange of information regarding price	107	25.18
No collaborative agreements	189	44.47
Others	7	1.65

4. DATA ANALYSIS AND INTERPRETATION

4.1. The analysis of horizontal understandings (Q15)

All forms of agreements to divide markets and control prices, including profit pooling and mark-up agreements and private "fair trade practice" rules, are prohibited in the antitrust law enforcement. Something close to a *per se* rule can be used against hard-core conduct. It is not necessary to prove that price fixing, market division or output limits or quotas actually raised prices or reduced output. Decisions have made clear that those effects are presumed, and parties to the agreements cannot overcome the presumption by claiming they had no intention or capacity to achieve an anti-competitive effect. Regardless of market share, hard-core agreements cannot benefit from *de minimis* treatment.
Out of the total number of 425 companies, 236 mentioned practices such as fixing prices, sharing markets, sharing production/ selling quotas, eliminating competitors in public auctions, excluding a competitor, supplier or buyer, exchange of information regarding the price, which violate the provisions of the competition law, and are considered as hard-core agreements between competitors. Only 189 respondents mentioned that no collaborative agreements were concluded with competitors. The structure of the answers is presented in Table 3 below:

4.2. The identification of the competition strategy within the company (Q18)

Strategy is always about making choices (Porter, 1980). Competitive strategy refers to how a company competes in a particular business (overall strategy for diversified firms is referred to as *corporate strategy*). Competitive strategy is concerned with how a company can gain a competitive advantage through a distinctive way of competing. The short-term pressures on the performance of a company instead of a long-term investment in a company's future competitiveness (Porter and Kramer, 2006) might lead to an anti-competitive behaviour.
Strategies are the planned actions taken by managers in order to achieve the goals of the organization. Modern strategy research analyzes the means of deliberate intended choices when facing the intended and unintended consequences of the actions generated by rivals, consumers, and institutional actors (Saaranketo and

Puumalainen, 2008). The companies whose managers pursue strategic decision-making processes are proved to be the most successful in the global marketplace.

At the question „ *Is there a competition strategy in your company?", the answers of the Romanian companies were: 38.12 percent of the respondents have such a strategy, and 61.88 percent do not* (table no 4).

Table 4. Respondents' answers related to the existence of a competition strategy in their company

Answer	*Number*	*%*
Positive answer	162	38.12
Negative answer	263	61.88
Total	425	100

The answers could be explained by the fact that most of the respondents are SMEs, where the owner is usually the same with the manager, therefore the pattern of strategic decision making is different than in large firms. The level of planning and sophistication is usually low, and intuition dictates the course of action in several situations, but strategy formulation remains an important determinant for the success of the business. At the same time, environmental changes have a high potential impact on the activity of small firms, so these need to react quickly within their own strategic plan. At this point, the debate is on whether small business owners enhance stability to their strategy formulation, or they are rather risk-taking and innovative (Frese and Van Gelderen, 2000). The short-term versus long-term focus of growth and development is also a dimension, which should be assessed in trying to determine the level of strategic management in smaller organizations.

The respondents were also asked to explain clearly what their competitive strategy consists in. Among the answers there are a lot of ant-competitive practices: *prices under costs, very small profit margin, exclusive dealing with suppliers, tying or bundling practices in order to attract the customers, additional services or different facilities for the most important customers, offensive price strategies.* Only few respondents were able to define and explain their competitive strategy, such as: *market diversification, analyzing and formulation of a long-term strategy with some variables: competitors, customers, products, prices, innovation decision-making and gaining new segments of the market, improving the quality but reducing the price techniques.*

This is mainly due to the fact that the importance of strategic thinking in small companies has been often neglected, the success or failure of these companies being attributed largely to the entrepreneur's education, character and experience. Nevertheless, based on these traits of the owner-manager's personality, the dedication to formal strategic planning seems to influence the success of small companies on the long-term. Moreover, the less experienced the manager is, the greater the need for strategizing. In fact, this is the reason why most business

initiatives fail (Saaranketo and Puumalainen, 2008). The business idea and the business environment are key strategic factors that influence from the very beginning the potential success or failure of the entrepreneurial firm. Therefore, the focus of the effort to define the strategy (what should the organization become) is going towards the skills development, that enables effective exploitation of the organization resources, and also in the new area of properly changing (Rosca and Moldoveanu, 2009).

4.3. The relationship between fair competition and business ethics (Q21)

As we could easily have predicted, an absolute majority (65.7% of total) of the respondents consider that the relationship between equitable competition and business ethics is „very strong" or „rather strong". Only a fifth of the respondents (20.5%) are neutral to this relationship (they find it „neither weak, neither strong") while only 13.9% of them consider that the relationship is „rather weak", „very weak" or do not have any opinion in this respect.

Table 5. The relationship between equitable competition and business ethics

Answer	Number of respondents	%
Very strong	152	35,8%
Rather strong	127	29,9%
Neither weak, neither strong	87	20,5%
Rather weak	25	5,9%
Very weak	24	5,6%
No opinion	10	2,4%

The argumentation for the above answer (an open answer) leave room to a wide set of moral perspectives and business judgments shared by respondents. At one extreme and in minority, there are respondents who perceive business ethics and competitive behaviour as being opposite: „*There is no ethics in business*", „*I do not consider that there is an equitable competition*", „*In the case of our companies, competition has proved that ethics does not have a place in the business practices as at the level of their companies any business opportunity is seized*", and so on. On the other hand, business ethics is similar to seriousness, keeping up promises and business success: „*Seriousness offer stability on long term especially when you promote higher quality products*". In this respect, business ethics insure a better image for the form, being a promotion tool („*A strong ethics brings respect and praize from the part of the clients as well as a good company image*"). A consistent behaviour in this respect may offer even a competitive advantage („*An ethical behaviour will reward us on long term and offer us an advantage as compared to the other competitors who look just for shirt term profit by unloyal means*", „*you have to fair play in order to win*"). A particular aspect of the survery reveals the opinion that the Romanian business environment is still considered to favor immoral business practices – at least it does

not condemn it – which seems to be an inheritance from the transition period („*On the Romanian market, everything is possible*", „*In Romania, both equitable competition and business ethics are weakly rewarded)* or they relate them to social and cultural factors (Andrei et al, 2009). There are few companies that do take into account such aspects: „*In Romania, on this particular market, neither fair competition or business ethics do not find a place*").

5. EMPIRICAL RESULTS

Because it was difficult to divide the answers to questions Q18 and Q15 into two distinctive groups, we tested the correlation between the answers to question Q21 and Q18, respectively Q15 by using simple regression technique and Kruskal – Wallis non-parametric test. For the last two correlations (Q21 and Q8 and Q21 and D3) we used all non-parametric tests mentioned above. In case of market share (Q8), we divided the sample into two distinctive groups: market-leaders or market-makers with market share above 15% and less important companies with a market share less than 15%. In case of company size, we divided sample into other two distinctive groups: small and medium companies with less than 249 employees and big companies with more than 250 employees.

The correlation test based on simple regression model between answers provided to Q21 (relationship between fair competition and business ethics) and Q18 (existence of competition strategy within the company) indicates a **relative reduced positive correlation** (0.37 is the value for correlation coefficient). A similar result (0,31 is the value for the coefficient) was obtain in case of the other correlation between answers provided to Q21 (relationship between fair competition and business ethics) and Q15 (effects of collaboration with competitors)(see table 6).

Table 6. Simple regression outputs (Q21 / Q18 and Q21 / Q15)

Outputs	**Q21/Q18**	**Q21/Q15**
Multiple R	0,788567508	0,811238665
R Square	0,621838714	0,658108172
Adjusted R Square	0,619480224	0,655749682
Standard Error	1,476105295	1,403534735
Observations	425	425
Coefficients	**0,376587005**	**0,318178956**
t Stat	26,4048238	28,568485
P-value	0,00000	0,000
F	697,2147199	816,1583351
Significance F	0,00000	0,000

The Kruskal - Wallis test (this test measures how much the group ranks differ from the average rank of all groups) performed on the correlation between answers to Q21 and Q18, respectively Q15 indicates that there **is not significant difference** among the groups of respondents indicating the existence of competition strategy or effects of collaboration with competitors and their answers regarding the relationship between fair competition and business (asymptotic significance is higher than 0,05 in both cases) (see table 7). The differences are less reduced in case of Q21 / Q18 than in case of Q21 / Q15 (this result is also confirmed by correlation test based on simple regression model).

Table 7. Kruskal – Wallis test outputs for correlation between Q21 / Q18 and Q21 / Q15

Outputs	Q21 / Q18	Q21 / Q15
Chi-Square	9,110	9,243
df	8	9
Asymp. Sig.	0,333	0,415

The t-test performed on the pairs of answers provided to Q21 and Q8 and Q21 and D3 indicates that market position (measured through market share) and size of the company **are both relevant factors** to explain different answers provided to the question regarding relationship between fair competition and business ethics (big companies have a different perspective than small and medium companies regarding this relationship; the same in case of market makers and less important companies). The differences are higher in the case of the factor regarding company size than in the case of market position (see table 8).

Table 8. Summary outputs for T – test

Outputs	Q21 / Q8	Q21 / D3
F value	2,404	8,973
Significance of F	0,122	0,030
t-test values	2,474	3,748
Significance of t-test	0,014	0,000

Another test performed on these two pairs of questions (Q21 and Q8 and Q21 and D3) is the Mann – Whitney non-parametric test. The results obtained **indicate a similar result than t-test**: both factors (market position and size of the company) **are relevant to explain differences between answers regarding relationship between fair competition and business ethics**: small and medium companies have a different opinion about this relationship than big companies (the same in case of market position). This difference is higher in the case of company's size than in the case of market position (see table 9).

Table 9. Summary outputs for the Mann – Whitney non-parametric test

Outputs	Q21 /Q8	Q21 /D3
Mann-Whitney U	16015,5	11060
Wilcoxon W	23518,5	14300
Z	-2,247	-2,888
Asymp. Sig. (2-tailed)	0,025	0,004

The last test performed on these two pairs of questions was the Kruskal - Wallis test. According to this non-parametric test, **the differences between groups are significant only in case of market size and are not significant in case of market position** (see table 10).

Table 10. Summary outputs for the Kruskal - Wallis test

Outputs	Q21 / Q8	Q21 / D3
Chi-Square	5,974	13,628
df	4,000	4,000
Asymp. Sig.	0,201	0,009

6. CONCLUSIONS

In this paper, we have tried to emphasize the real necessity for business ethics to become a sub-field of antitrust ethics. As the American authorities have noted, managerial judgment is of paramount importance in the realm of anti-competitive behavior and the antitrust laws. Yet there has been little rigorous study of the moral implications of this area of competitive strategy by business ethicists. As Stelzer (1997) suggests, antitrust law avoids the need for direct government regulation of many business practices. By doing so, however, this places a greater burden of responsibility upon private sector management to self-regulate itself.
The issues of trust and ethical behavior are even more important if companies are operating in cooperative arrangements to accelerate the innovation and commercialization processes. Consequently, the practical need for the development of ethical principles of competitive behavior (in relation to antitrust issues) is also a great practical importance in the new context of the globalization of economic activities, when the organization changes from "machine" typology to the "living body" (Rosca and Moldoveanu, 2009).

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