

**Vladislav Volkov**ORCID: 0000-0001-9593-2641  
vladislavs.volkovs@inbox.lv**Yulija Timoshchenko**ORCID: 0000-0003-4922-1595  
julija.timoscenko@bsa.edu.lv**Stanislav Buka**ORCID: 0000-0002-4235-8890  
stanislav.buka@bsa.edu.lv**Inese Ratanova**ORCID: 0009-0003-2430-3903  
inese.ratanova@gmail.com

Baltic International Academy, Latvia

## **Ethical and Ethnic Values in Organizational Culture in Latvia. Part II**

Wartości etyczne i etniczne  
w kulturze organizacyjnej na Łotwie. Część II

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**Abstract:** The authors of the article show the importance of studying the economic environment and organizational culture in Latvia, as an ethnically diverse side, taking into account the influence of the ethnic factor. Since there are two ethnocultural poles in the ethnic diversity of Latvia – ethnic Latvians, who are the core of the Latvian nation-state, and Russians, as the largest ethnic minority in the country, the author of the article focused on the issue of the nature of ethnic differences within the Latvian organizational culture. The complexity of this approach to description is due to the fact that the vast majority of scientific works in Latvia, taking into account the influence of the ethnic factor on social life, belong to the field of political science and sociological research. While the few works within the framework of the economic science of Latvia consider the established organizational culture in this country mainly as a homogeneous ethno-cultural entity. To confirm the hypothesis that the ethnic factor also plays an important role in the economic life of Latvia, the author of the article organized in 2021 a sociological study within the research project "interaction of the individual, society and state in the overall process of Latvian history: conflicts of values and the formation of common values at historical breaking points". The purpose of this study was to identify the ethnic characteristics of the organizational culture in Latvia through the nature of the ethical relationship between ethnic Latvians and Russians in the economic life of the country. As a key indicator of the integrity of organizational culture for the multi-ethnic environment of Latvia, the author chose the value of universal moral norms, primarily justice, to regulate relations between ethnic Latvians and Russians, to mutually assess their professional and personal qualities in the life of companies and organizations. The data of this study showed that a high assessment of the ideals of justice is characteristic of the moral consciousness of both ethnic Latvian and Russian respondents. At the same time, the attitude towards the implementation of these ideals, as well as other moral values, in economic behavior, business communication, in the adoption of corporate ethics and respect for the established hierarchy in the enterprise and organization, in the perception of professional, moral and psychological qualities of employees with different ethnic identities has some differences among representatives of these ethnic groups. This indicates a significant place of ethnic favoritism both in the minds of ethnic Latvians and Russians

when assessing the opposite side, and thus the existence of ethnic subcultures within the business culture and organizational culture in Latvia.

**Keywords:** organizational culture, multi-ethnic environment, ethical values, ethnic favoritism

**Abstrakt:** Autorzy artykułu wskazują na wagę badania środowiska gospodarczego, kultury organizacyjnej na Łotwie jako kraju zróżnicowanego etnicznie, z uwzględnieniem wpływu czynnika etnicznego. Ponieważ w różnorodności etnicznej Łotwy wyróżnić można dwa bieguny etno-kulturowe – etnicznych Łotyszy, którzy stanowią trzon łotewskiego państwa narodowego, oraz Rosjan jako największą mniejszość w kraju, autorzy artykułu skupili się na zagadnieniu charakteru różnic etnicznych w łotewskiej kulturze organizacyjnej. Złożoność takiego podejścia do opisu wynika z faktu, że zdecydowana większość prac naukowych na Łotwie, uwzględniających wpływ czynnika etnicznego na życie społeczne, należy do obszaru nauk politycznych i badań socjologicznych. Podczas gdy nieliczne publikacje z zakresu nauk ekonomicznych traktują ugruntowaną kulturę organizacyjną w tym kraju głównie jako jednorodną całość etniczno-kulturową. Aby potwierdzić hipotezę, że czynnik etniczny odgrywa również ważną rolę w życiu gospodarczym Łotwy, autorzy artykułu w 2021 r. zorganizowali badanie socjologiczne w ramach projektu „Interakcja jednostki, społeczeństwa i państwa w ogólnym procesie historii Łotwy: konflikty wartości i kształtowanie się wspólnych wartości w historycznych punktach zwrotnych”. Celem tego badania była identyfikacja etnicznych cech kultury organizacyjnej na Łotwie poprzez naturę relacji etycznych pomiędzy Łotyszami i Rosjanami w życiu gospodarczym kraju. Jako kluczowy wskaźnik integralności kultury organizacyjnej dla wieloetnicznego środowiska Łotwy autorzy wybrali wartość uniwersalnych norm moralnych, przede wszystkim sprawiedliwości, do regulowania stosunków między etnicznymi Łotyszami i Rosjanami, do wzajemnej oceny ich zawodowych i osobistych cech w życiu firm i organizacji. Dane z tego badania wykazały, że wysoka ocena ideałów sprawiedliwości jest charakterystyczna dla świadomości moralnej zarówno respondentów łotewskich, jak i rosyjskich. Jednocześnie stosunek do realizacji tych ideałów, a także innych wartości moralnych, w zachowaniach ekonomicznych, komunikacji biznesowej, w przyjmowaniu etyki korporacyjnej oraz poszanowaniu ustalonej hierarchii w przedsiębiorstwie i organizacji, w postrzeganiu zawodowych, moralnych, psychologicznych cech pracowników o różnych tożsamościach etnicznych ma pewne różnice między przedstawicielami tych grup. Wskazuje to na istotne miejsce faworyzowania etnicznego zarówno w świadomości etnicznych Łotyszy, jak i Rosjan przy ocenie strony przeciwnej, a co za tym idzie, na istnienie subkultur etnicznych w obrębie kultury biznesowej i kultury organizacyjnej na Łotwie. **Słowa kluczowe:** kultura organizacyjna, środowisko wieloetniczne, wartości etyczne, faworyzowanie etniczne

### **Sociological research data: organizational culture, individual economic strategies and ethnic identity**

In 2021, one of the the authors of this article organized a sociological study called “Economic environment in Latvia: the interaction of ethical and ethnic values” in order to analyze the peculiarities of ethical norms (primarily norms of moral justice) regulating relations between representatives of different ethnic groups (mainly ethnic Latvians and Russians) in economic life, companies and in personnel relations of institutions. At the same time, the task was set to show to what extent representatives of different ethnic groups are ready to apply moral universal norms and evaluations in working relationships with colleagues of different ethnic origins and whether universal moral values function in the economic life of Latvia as a regulatory mechanism that overcomes barriers of ethnic identity, allows an individual to

respect the principles of social equality in relations with people of different ethnic origins or whether moral regulators acquire an ethnic character and whether the principle of equality is applied only to representatives of their own ethnic group. Thus, it was important to show how universal moral norms in the formation of organizational culture in Latvia are connected with the ethnic favoritism of ethnic groups.

The total number of respondents of the sociological study is  $n = 1008$ , of which 609 are Latvians, 327 are Russians, and 72 are representatives of other ethnic groups. Sociological data collection was carried out by the SKDS Research Center in June–September 2021 (SKDS is a member of WIN – Worldwide Independent Network of Market Research and Opinion Poll). The study was funded from 2018-2021 in the State Research Project “Interaction of the individual, society and state in the overall process of Latvian history: conflicts of values and the formation of common values at historical breaking points”.

The reproduction of individualistic features in organizational cultures is primarily influenced by the mechanisms of individual economic strategies of employees, managers, and entrepreneurs in the realization of their economic needs and interests, in the struggle for resources, influence and power in companies and organizations, in the economic environment as a whole. At the political and legal level, individualistic tendencies in the economy are protected and reinforced by a system of human rights that have a pronounced individual character<sup>1</sup>. Corporate group values are reproduced and developed due to the concentration of economic life in the activities and interaction of its most important actors – companies, organizations and institutions. The unconditional influence on the consolidation of corporate group values in economic life, especially in the sphere of business communication, is exerted by Latvian legislation and the dominant trends in social and political life, which prescribe the need to consolidate the Latvian language and symbols of Latvian culture and history in business and informal communication.

At the same time, individualistic and corporate-group values are by no means always logically linked into a coherent system of respondents' views. For example, when it comes to the priority assess-

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<sup>1</sup> J. Tully, *Strange Multiplicity*, [in:] *Political ideologies. A Reader and Guide*, eds. M. Festenstein, M. Kenny, Oxford 2005, p. 417–418; I.M. Young, *Ruling Norms and the Politics of Difference: A Comment on Seyla Benhabib*, “The Yale Journal of Criticism” 1999, Vol. 12, № 2, p. 415-421; Ю. Хабермас, *Вовлечение другого. Очерки политической теории*, Санкт-Петербург 2001, p. 332-334.

ment of the role of certain factors that, from the point of view of the respondents, should contribute to their successful career. In this case, the respondents follow an “individualistic” logic, giving priority to the “competence of employees in the profession” (81,7%) and, leaving far behind, the need for all employees to be representatives of the same ethnic group (13,6%). Moreover, the prevalence of individualistic values over group, corporate ones is manifested both among ethnic Latvians and Russians, however, in different proportions (this is evidenced by the Mann-Whitney U test). Such ethnic differences are associated with a higher development of individualistic values among ethnic Latvians in comparison with Russians in their understanding of the organizational culture of an enterprise, institution or student group (Table 1).

**Table 1.** The need for existence of a complex of conditions for a successful career of employees at the workplace (%)

<b>Necessary conditions for a successful career</b>	<b>All</b>	<b>Latvians</b>	<b>Russians</b>	<b>Mann Whitney U test</b>
Employees are competent in the profession	81,7	86,6	74,1	0.000**
Close interaction of employees on the problems of professional activity	69,1	73,2	59,6	0.000**
There is a creative approach to the implementation of professional duties	65,9	72,2	55,5	0.000**
Close interaction of employees and management on the problems of professional activity	59,3	66,3	52,3	0.000**
The freedom of employees to defend their opinion	55,,2	61,6	45,5	0.000**
A sense of moral justice should prevail over the performance of professional duties	35,9	36,3	32,9	0.203
Close informal interaction of employees	34,4	34,3	33,2	0.369
Most employees share the same national culture with me	17,3	20,1	9,5	0.023*
Most employees share the same ethnicity as me	13,6	15,8	82	0.290
Most employees have the same religious affiliation as me	11,0	12,3	8,6	0.019

\* Correlation is significant at the 0.05 level (2-tailed).

\*\* Correlation is significant at the 0.01 level (2-tailed).

It is important to understand why there are such significant differences between ethnic Latvians and Russians in assessing the necessary conditions for a successful career. And, therefore, why is the assessment of the sum of factors less significant among Russians (employees are competent in the profession; close interaction of employees on the problems of professional activity; there is a creative approach to the implementation of professional duties; close interaction of employees and management on the problems of professional activity; the freedom of employees to defend their opinion) for a career, how does this manifest itself among Latvians? It seems that this is a consequence of the fact that ethnic Latvians occupy and are oriented towards more prestigious positions in economic life than Russians. And it is these positions that are the most important motivating factor in the reproduction of the individual qualities of an employee, which are in demand in more prestigious socio-economic positions. At the same time, this is reinforced by a higher level of ethnic favoritism among ethnic Latvians (most employees share the same national culture with me; most employees share the same ethnicity as me) than in the case of Russians.

Despite the fact that non-ethnic values for the successful work of the team play the most significant role in comparison with ethnic favoritism, it is clear that the views of ethnic Latvians and Russians still differ on the issue of the most preferable ethno-cultural environment with varying degrees of dominance of representatives of certain ethnic groups for a successful organizational culture. It was proposed to assess the degree of significance for solving team problems in a commercial firm, a government institution or in a student environment (for respondents – students) of the composition of the environment that forms the organizational culture:

- a team with a significant dominance of ethnic Latvians;
- a team with significant Russian dominance;
- ethnically mixed teams (where the share of ethnic Latvians is about 50% and the share of Russians is about 50%);
- ethnically mixed teams (where the share of ethnic Latvians is about 50% and the share of other ethnic groups (not Russians) is about 50%);
- it does not depend on the ethnic composition of the team (Table 2).

**Table 2.** The degree of significance of the ethnic composition of the team for solving problems in a commercial firm, government agency or in a student environment (answer: “very important”, %)

<b>Preferred ethnic composition of the team</b>	<b>All</b>	<b>Latvians</b>	<b>Russians</b>
Team with a significant dominance of ethnic Latvians	16,4	24,9	4,0
Team with significant Russian dominance	6,8	3,4	12,8
Ethnically mixed teams (where the proportion of Latvians is approximately 50% and the proportion of Russians is approximately 50%)	16,9	12,8	23,4
Ethnically mixed teams (where the proportion of Latvians is approximately 50% and the proportion of other ethnic groups (not Russians) is approximately 50%)	5,6	4,5	6,1
It does not depend on the ethnic composition of the team	43,0	45,2	38,5
Don't know	11,3	9,2	15,2
Total	100,0	100,0	100,0

As it turned out, the respondents to a minimum extent agreed that the dominance of certain ethnic groups is the most important factor in the successful functioning of teams (16,4% of respondents spoke in favour of the dominance of ethnic Latvians, 6,8% of Russians). 43,0% of respondents believe that the ethnic composition of the team does not play a role in its successful functioning. However, one should not conclude that, as in the answers to the previous question, the inhabitants of Latvia for the most part profess liberal, individualistic values that are ethnically neutral when it comes to the preferred organizational culture in commercial enterprises, state institutions or student groups. Quite significant differences between ethnic Latvians and Russians can already be seen in the answers to this question. Ethnic Latvians are twice as likely to work or study in purely Latvian teams than Russians in purely Russian teams (24,9% and 12,8% respectively). Russians would also choose ethnically mixed teams twice as often (50% Latvians and 50% Russians) than Latvians (23,4% and 12,8% respectively). However, in general, the respondents' answers are significantly influenced by the liberal and individualistic mood of the socio-political and moral discourse that dominates in Latvia. When the questionnaire asks to make an unambiguous choice in favour of liberal or group, corporate values, respondents largely follow the liberal

paradigm that dominates the public mind and, as a rule, does not allow compromise with corporate and group attitudes<sup>2</sup>.

Thus, it is possible to draw a preliminary conclusion about the factors influencing the strengthening of ethnically neutral elements in the organizational culture of Latvia or the strengthening of ethnic favoritism. In the constitution and reproduction of organizational culture in Latvia, the quality factors of economic and industrial activity occupy a leading position in comparison with the values associated with ethnic favoritism. And this is typical for both ethnic Latvians and Russians in their ideas about organizational culture. However, the adherence to ethnic favoritism, for example, in the formation of teams among ethnic Latvians is more pronounced than among Russians.

One of the tasks of the study was to find out the peculiarities of Latvian economic and business culture and the influence of ethnicity on it. Indicators of attitude towards hierarchy in the company and organization, as well as orientation towards agreement or conflict in defense of one's interests, were chosen as the parameters of such a culture (these indicators coincide with the indicators in Hofstede's study). The survey data showed that for Latvian residents the values of the corporate culture of companies and institutions are made dependent on the ability to defend one's professional position in front of the management (this is important for 66,3% of respondents), as well as in interaction with other employees of the company (important for 54,4% of respondents). However, the realization of such a right in order to achieve economic benefits, in the opinion of respondents, should not destroy the established service hierarchy in the company (57,1% of respondents agree with this). Between such seemingly contradictory assessments of the role of the established service hierarchy and the ability to defend one's position in the performance of professional duties, in fact, there is no contradiction. For residents of Latvia, the existing hierarchical and normative order in companies and organizations is a value that implies both the right and real opportunities for employees to defend their vision in the implementation of professional duty. This explains the fact that less than half of the respondents (38,8%) are ready to formally follow the requirements of the official hierarchy, even if this contradicts the professional duty of employees. In general, the sample showed a low proportion of respondents who, in

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<sup>2</sup> V. Volkov, *Communication of Ethnic Groups in Public Space in Latvia*, "Humanities and Social Sciences Latvia", 2017, Vol. 25, Issue 1, p. 73-86.

order to fulfill their official professional duty, are ready to go into conflict with colleagues (38,0%) and all employees of the company, including management (25,8%).

The research data show differences between ethnic Latvian and Russian respondents when evaluating the importance of these indicators in corporate culture. For ethnic Latvians, the desire to be guided by respect for the hierarchy when it is necessary to fulfill professional duties turned out to be less pronounced than for Russians (33,3% and 47,5%, respectively). At the same time, in order to fulfill their professional duties, Russians are more – than Latvians – ready to conflict with work colleagues (35,0% and 20,2%, respectively) (Table 3 and Figure 1). Obviously, this is due to the fact that Russians perceive their position in firms or in state organizations with greater vulnerability and, therefore, are more focused on protecting their interests precisely within the established hierarchical order.

**Table 3.** What is your individual experience in realizing professional cohesion in the company (institution)? (answers: “agree”, %)

<b>Individual experience in realizing professional cohesion in the company (institution)</b>	<b>All</b>	<b>Latvians</b>	<b>Russians</b>	<b>Mann Whitney U test</b>
I participate in the company's corporate meetings (birthday celebrations, internal company celebrations, etc.)	68,0	69,6	63,5	0.208
If it is necessary to perform my professional duties well, I always defend my opinion in front of the management	66,3	66,1	66,6	0.824
If the internal hierarchy of the company should be violated for the sake of economic success (profit), I would not do it	57,1	55,2	61,4	0.257
If it is necessary to perform my professional duties well, I defend my opinion, even if it is not collegial to other employees	54,4	52,9	57,0	0.452
The interests of the company or institution are more important to me than informal friendly relations with other employees	41,0	39,3	42,8	0.429
In my opinion, maintaining the company's internal hierarchy is more important than my ideas about professional responsibility and quality work	38,8	33,3	47,5	0.005**

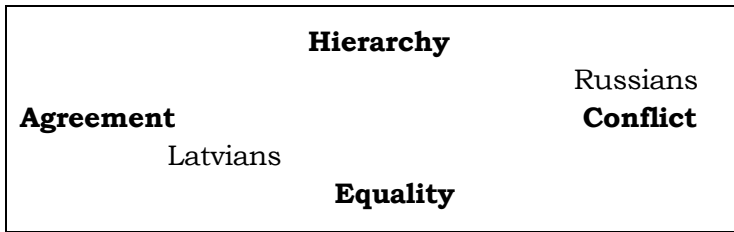


If it is necessary to perform my professional duties well, I am ready to come into conflict with my colleagues	38,0	34,3	42,3	0.087
In order to fulfill my professional duties well, I am ready to come into conflict with all other employees in the company/institution	25,8	20,2	35,0	0.070

\*\* Correlation is significant at the 0.01 level (2-tailed).

In general, it is possible to graphically describe the differences in the positions of ethnic Latvians and Russians in relation to the value poles in organizational culture, based on two dichotomies: hierarchy/equality and agreement/conflict (Figure 1).

**Figure 1.** The attitude of the representatives of the ethnic groups towards the hierarchy in the company and orientation towards the conflict in the realization of their interests



It should be noted that it is the features of ethno-social and ethno-political stratification in modern Latvia that have the strongest influence on the alignment of values in the public consciousness of the inhabitants of the country as a whole and the attitude towards the very possibility of representatives of various ethnic groups for equal co-opting into state authorities and management. It is the very fact of people's ethnicity, including the dominant language of communication in the family, that turns out to be more important in determining their attitude to the principle of equal opportunities for equal promotion to the highest bodies of state power in comparison with such important social factors as their gender, marital status and composition of families, age, education, employment and profession, civil status, place of residence and income (Table 4).

**Table 4.** The role of factors influencing differences in the views of respondents of different ethnicities in relation to the possibility of equal chances for representatives of various ethnic groups to occupy the highest positions in the state apparatus of Latvia

<b>Characteristics of respondents</b>	<b>Sig. (2 tailed)</b>
Region of residence	0.043*
Ethnicity	0.005**
Language of communication in the family	0.000**
Gender	0.906
Age	0.153
Family status	0.379
Number of family members	0.510
Education	0.549
Civil status (citizen of Latvia or its permanent resident)	0.173
Sphere of professional employment	0.378
Type of main professional activity	0.159
Average income per family member	0.484
Location	0.583

\* Correlation is significant at the 0.05 level (2-tailed).

\*\* Correlation is significant at the 0.01 level (2-tailed).

This fact has a dual effect on the characteristics of the organizational culture in Latvia. On the one hand, the behavioral and communication norms developed in it, arising from the nature of people's professional activities and the scope of their work, the content of the education received, their place in the system of socio-economic stratification, place of residence, etc., contribute to the integration of representatives of various ethnic groups into the economic environment of the country, and thus the formation of the values of a single national organizational culture. On the other hand, the ethnic identity of people, primarily ethnic Latvians and Russians, has a really great value in their minds, as well as in understanding the basic normative model of Latvian society and the place of the largest ethno-linguistic communities in it. On the part of ethnic Latvians, this model, as well as derivative forms of social life, including organizational culture in the economic sphere, should proceed from the dominance of the Latvian language and culture, which should also be expressed in the priority role of ethnic Latvians in the structure of state administration and ensuring social mobility for them. Ethnic Russians are inclined towards a multicultural model of the Latvian nation, in which ethnic

Latvians and ethnic minorities would be provided with equal opportunities. In economic life, the difference between these ideas is most clearly manifested in the formation of elements of ethnic segmentation of the economic life of Latvia.

There are quite a few reasons for the ethnic segmentation of economic life. And one of them is a high degree of self-identification of the inhabitants of Latvia with imaginary averaged typified representatives of “their” ethnic group, social class, environment of social origin. Residents of Latvia are characterized by the perception of economic life, as well as the organizational cultures of companies and organizations as socio-cultural phenomena in which such typical expectations are realized or should be realized. Table 5 shows how highly the respondents rate their chosen profession, as well as the content of the educational institution, not only based on their need for individual self-realization (88,4% of all respondents consider this an important factor), but also due to the fact that in these professions, most people of similar social (77,6% of respondents) and ethnic origin (71,7% of respondents), as well as similar abilities (78,3% of respondents) will be able to achieve an average level of well-being. These data indicate a high degree of importance for ethnic Latvians of focusing on typified opportunities in the economic sphere, which are characteristic from the point of view of respondents for the “average ethnic Latvian” and “average Russian”. A very high degree of self-identification of respondents with typified opportunities for reference ethnic groups is an important factor in the existence of “ethnic niches” in the economic life of modern Latvia, which are characterized by the predominance of either employed ethnic Latvians or ethnic Russians. At the same time, the features of ethnic differentiation in economic life lead to the consolidation of boundaries between ethnic groups<sup>3</sup>, and strengthen the ethnic categorization of representatives of these ethnic groups<sup>4</sup>.

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<sup>3</sup> Ф. Барг, *Введение*, [in:] *Этнические группы и социальные границы. Социальная организация культурных различий*, ed. Ф. Барг, Москва 2006, p. 9, 10, 15, 20.

<sup>4</sup> S.A. Haslam, *Stereotyping and Social Influence: Foundations of Stereotype Consensus*, [in:] *The Social Psychology of Stereotyping and Group Life*, eds. R. Spears, P.J. Oakes, N. Ellemers, S.A. Haslam, New Jersey 1997, pp. 119-143; C. McGarty, *Social Categorization*, [in:] *Oxford Research Encyclopedia of Psychology*, Oxford 2018; H. Tajfel, J. C. Turner, *An Integrative Theory of Intergroup Conflict*, [in:] *The Social Psychology of Intergroup Relations*, eds. W.G. Austin, S. Worchel, Monterey 1979, pp. 33-48.

**Table 5.** The most important factors in choosing a profession and the nature of education (summed answers: “high importance” and “medium importance”, %)

<b>Factors in choosing a profession and the nature of education</b>	<b>All</b>	<b>Latvians</b>	<b>Russians</b>
Good opportunities to achieve at least an average level of material well-being	89,3	89,7	89,1
The need to realize one's abilities	88,4	88,7	87,8
Good opportunities to achieve a high level of material well-being	82,8	84,0	81,5
Comparatively good opportunities for people with similar abilities to achieve an average level of material well-being	78,3	79,1	78,5
Comparatively good opportunities for people with similar social backgrounds to achieve an average level of material well-being	77,6	78,4	76,9
Relatively good opportunities for people with similar ethnic origins to achieve an average level of material well-being	71,7	72,3	72,5
Relatively good opportunities for people with similar ethnic origins to achieve a high level of material well-being	67,3	67,9	67,5

In general, the data of the sociological research carried out confirmed the hypothesis put forward above, that the intensive economic interaction of representatives of different ethnic groups contributes to the formation of typical features of economic behavior and corporate culture (for example, the desire to defend one's opinion about professional duties in discussions both with work colleagues and with management representatives, as well as a higher assessment of the order established in the company or institution compared to the economic interests of the employees). However, the peculiarities of economic socialization, recruitment, career prospects, types of work and professional activity also reproduce differences, expressed values in the field of work and corporate culture. Thus, the existing collision between the high assessment of the role of universal moral norms in the minds of respondents in general, regardless of their ethnic identity, with the obvious skepticism inherent in using these norms in the perspective of representatives of different ethnic groups (for example, careers) in the economic life of Latvia is becoming more and more understandable.

This study demonstrated ethnic delimitation in terms of assessment by ethnic Latvian and Russian respondents of the professional qualities of employees belonging to an ethnic group other than the respondents themselves (for Latvian respondents, these are Russians, for Russians – Latvians). It can be seen that ethnic favoritism plays a significant role in the minds of the respondents. Respondents characterized employees of their “own” ethnic groups as more professionally trained to perform official functions, creative tasks, embody positive moral values than they saw in the “other” ethnic group (ethnic Latvians among Russians and Russians among Latvians) (Table 6).

**Table 6.** Opinion of respondents: values possessed by teams of different ethnic groups (%)

Values possessed	Opinion of ethnic Latvian respondents		Opinion of Russian respondents	
	For Latvians	For Russians	For Latvians	For Russians
Reliability	40,3	21,0	14,3	33,6
Loyalty	31,8	21,9	15,6	21,0
Commitment	31,3	19,7	21,5	31,3
Openness	21,2	14,1	25,0	30,4
Honesty	33,3	18,1	11,9	20,0
Efficiency	23,7	13,3	14,0	26,1
Creativity	30,6	11,6	16,0	18,2
Innovativeness	19,5	11,3	12,6	16,4
Consistency	19,4	9,8	8,5	14,9
Patriotism	46,1	34,3	15,2	13,4
None of these traits	8,1	11,4	12,3	10,0
Hard to say	29,2	35,8	41,1	31,2
Total	334,5	222,3	207,8	266,4

Ethnic favoritism was especially pronounced among Latvians, who do not believe that there should be equal conditions for representatives of all ethnic groups to enter state power, to become high-status officials (Table 7). Comparing this subgroup of Latvians and the group of Russian respondents, one can see very large differences in the assessment of the qualities of workers of ethnic Latvians and Russians (Table 8).

**Table 7.** Spearman's rank correlation coefficient (Spearman's  $\rho$ ) between “Representatives of different nationalities have equal chances to get into state power (become top-level officials)” and corporate values in the group “Ethnic Latvians”

	<b>Correlation Coefficient Sig. (2-tailed)</b>
Reliability	0,005**
Loyalty	0,004**
Commitment	0,052
Openness	0,019*
Honesty	0,020*
Efficiency	0,005**
Creativity	0,000**
Innovativeness	0,002**
Consistency	0,019*
Patriotism	0,015*
None of these traits	0,636
Hard to say	0,017*

\* Correlation is significant at the 0.05 level (2-tailed).

\*\* Correlation is significant at the 0.01 level (2-tailed).

Such significant differences between ethnic Latvians and Russians in the self-assessment of the positive qualities of employees and the attribution of these qualities to representatives of another ethnic group speak of the high degree of influence of ethnic favoritism, which is common in Latvia, which is characteristic of socio-political discourse, also on economic life and ideas about organizational culture.

### **Sociological research data: organizational culture, ethical values and ethnic favoritism**

Ethical values play an extraordinary role in resolving conflicts in public life, including the sphere of economic interactions between people within enterprises, organizations, and student groups. However, these ethical standards, which require an equal measure of evaluation in relation to all people, regardless of their social status, ethnic and cultural affiliation, often come into conflict with economic expediency, as well as with learned ideas about the need to respect hierarchies in firms and organizations, that is, to take into account the unequal status of people in these organizations.

The research data showed that a high evaluation of the ideals of justice is characteristic of the moral consciousness of both ethnic

Latvian and Russian respondents. At the same time, there are certain differences in the attitude of ethnic Latvian and Russian respondents towards the ideal of justice, as well as the implementation of other moral values in economic behavior, business communication, the observance and respect of the principles of corporate ethics and certain hierarchies in companies and institutions, the professional, moral and psychological characteristics of employees with different ethnic identities in perception. The research data show that there is a very large proportion of respondents who consider it necessary to be guided by the principles of moral justice when assessing people's opportunities to access public goods, so that the remuneration received by people is appropriate for their contribution to work (71%-83% of the entire choice set), while at the same time the skepticism of the respondents to associate this ideal with the perspectives of representatives of various ethnic groups to enter state power or receive similar remuneration was revealed (42%-53%) (Table 8). The low assessment of social and political prospects of representatives of different ethnic groups coincides to some extent with the low assessment of social and political prospects of people belonging to different social classes. Here, the conflict of public consciousness in Latvia was clearly manifested: ideas about the need to achieve equal individual chances for people of different nationalities in public life coexist with ideas about the importance of maintaining differences between social classes and ethnic groups for their representation in the state apparatus. These data confirm the tendency of Latvian public consciousness to link ethnic differences with social status differences noted by one of the authors of this article<sup>5</sup>. A similar situation has already been analyzed in scientific literature as a fact of "hybridization" of real moral requirements<sup>6</sup>. And such hybridization is connected with the unfinished process of interconnection between the collective and individual identities of people in the minds of ethnic groups in Latvia, which often leads to the opposition of the common national identity of people and the collective ethnic identity of ethnic minorities.

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<sup>5</sup> V. Volkovs, *Latvijas etnisko minoritāšu identitātes vērtības: starp nomatīvismu un plurālismu*, Rīga 2018.

<sup>6</sup> B. Gert, *The Definition of Morality*, <https://plato.stanford.edu/entries/morality-definition/> (access date: 08.02.2016).

**Table 8.** To what extent is it necessary for the situation in the country to meet these characteristics in order to be able to say that there is moral justice in the country? (answers: “necessary”, %)

<b>Characteristics of a morally just society</b>	<b>All</b>	<b>Latvians</b>	<b>Russians</b>	<b>Mann-Whitney U</b>
All people are equal before the laws of the country	84,3	86,4	81,1	0.045*
People have equal opportunities to access public goods (education, quality medical services, etc.)	81,0	83,7	78,4	0.072
The remuneration (income) received by people is commensurate with their contribution to work	75,5	78,3	71,1	0.011*
All people are equal before the moral law	75,1	76,1	75,3	0.744
Human rights correspond to their duties	65,0	64,3	64,6	0.756
Representatives of different nationalities have equal incomes	58,7	59,7	58,1	0.469
Representatives of different nationalities have equal chances to enter the power apparatus (become high-level officials)	46,9	44,2	53,0	0.015*
Representatives of different social classes have equal chances to enter state power (become high-level officials)	48,5	49,0	48,7	0.864
Members of different social classes have equal incomes	44,4	45,4	45,8	0.913

\* Correlation is significant at the 0.05 level (2-tailed).

This study has shown that the established features of organizational cultures in companies and institutions in Latvia are an interweaving of individualistic and corporate-group values, as well as inherited and reproduced ethno-cultural values that form the ethnic identity of the respondents. Table 9 shows respondents' opinions about the ability to evaluate the behavior of other people in terms of moral justice. In general, ethnic Latvians, compared to Russians, are characterized by a slightly more critical attitude towards the ability of such an assessment (assess the behavior of people/colleagues with similar social status at work (business, studies), of similar ethnicity, of people/colleagues of higher and lower social status at work (business, studies) and people of other ethnicity). A more pronounced complementarity of Russian respondents in relation to the ability of Latvian



residents to evaluate the behavior of other people than in the case of ethnic Latvians, as shown in the findings of this study, was also manifested in other answers of respondents.

**Table 9.** In your opinion, how much of the population of Latvia is able to assess whether the behavior of other people complies with the principles of moral justice? (Answers: “everyone can do it” and “the majority can do it”, %)

<b>Ability to assess behavior of...</b>	<b>All</b>	<b>Latvians</b>	<b>Russians</b>
close people (family, friends)	61,7	63,1	62,4
people/colleagues with similar social status at work (business, studies)	51,2	50,1	54,2
people of similar ethnicity	50,9	49,1	56,8
people/colleagues of higher social status at work (business, studies)	44,8	43,8	47,8
of people/colleagues of lower social status at work (business, studies)	43,9	42,7	45,1
people of other ethnicity	38,1	36,4	41,7

At the same time, Russian respondents, compared with ethnic Latvians, are characterized by a little higher ability of representatives of their ethnic group to assess the behavior of other people from the standpoint of moral justice. But the data of this and the previous table show that both ethnic Latvians and Russians believe that they are less confident in assessing the qualities, including socio-economic ones, of representatives of other ethnic groups than in assessing “their own” ethnic groups. For example, 51,0% of ethnic Latvians are sure that representatives of “their” ethnic group are capable of evaluating the behavior of “their” ethnic group from the point of view of moral justice. But this share turned out to be lower (38,7%) in terms of the ability to assess the behavior of representatives of other ethnic groups. Approximately the same difference is typical for Russian respondents (55,2% and 43,2%, respectively) (Table 10). The fact that ethnic Latvians and Russians in their assessment of people with a different social status (higher or lower), as well as in their assessment of people of a different nationality, compared with the assessment of people with a similar social status, similar ethnicity and relatives (friends, relatives), reveals the presence of restraining mechanisms for ethnic favoritism in the minds of the respondents. Although, as will be shown later, ethnic favoritism in the minds of ethnic Latvians and Russians has a significant impact on the organizational culture in Latvia.

**Table 10.** In your opinion, how much of the people of your ethnicity are able to assess whether the behavior of other people complies with the principles of moral justice? (Answers: “everyone can do it” and “the majority can do it”, %)

Ability to assess behavior of...	All	Latvians	Russians
close people (family, friends)	59,0	59,2	60,4
people/colleagues with similar social status at work (business, studies)	52,6	52,5	54,7
people of similar ethnicity	52,4	51,0	55,2
people/colleagues of higher social status at work (business, studies)	45,1	44,0	48,8
of people/colleagues of lower social status at work (business, studies)	44,9	44,1	48,2
people of other ethnicity	40,0	38,,7	43,2

Ethnic favoritism has a particularly pronounced effect on possible conflict situations in commercial companies, government agencies or student groups that arise between people belonging to different ethnic groups. In these cases, the universalism and ethnic neutrality of moral norms give way to ethnic sympathies. Respondents were asked the question: “If a conflict arises with representatives of another ethnic group in the workplace or in the student group with which you study, in order to successfully resolve it, are you guided by the same moral principles that you use to resolve conflicts with representatives of your own ethnic group?” (Table 11). Less than half of the respondents are characterized by the same moral principles for resolving conflicts in the workplace or in the student environment between representatives of their own ethnic group and other ethnic groups. The relativity of moral requirements depending on the ethnic environment is an important feature of business communications and organizational cultures in modern Latvia, which has already been noted in sociological studies<sup>7</sup>. However, even in the answer to this question one can see differences, and rather significant ones, between ethnic Latvians and Russians in the application of uniform moral standards to the regulation of conflicts with representatives of different ethnic groups. Ethnic Latvians are more likely than it was shown in the answers of Russian respondents to follow universal moral standards in resolving conflicts with Russians than Russians with ethnic Latvians, as well as with Poles, Jews, Gypsies, Lithuanians, and Ukrainians.

<sup>7</sup> V. Volkovs, *Latvijas etnisko...*, p. 225-242.

**Table 11.** Share of respondents who are guided by the same moral principles for resolving conflicts, both with representatives of their own ethnic group and representatives of another ethnic group in the workplace or in a student group (%)

Possible conflict with	All	Latvians	Russians	Mann Whitney U test
ethnic Latvians	-	-	44,9	-
Russians	-	51,4	-	-
Poles	47,3	49,4	41,6	0.009**
Belarusians	47,5	48,8	42,3	0.069
Jews	44,4	46,3	38,6	0.040*
Gypsies	38,9	40,8	33,6	0.019*
Ukrainians	47,1	48,8	42,3	0.028*
Lithuanians	47,3	49,3	41,5	0.012*

\* Correlation is significant at the 0.05 level (2-tailed).

\*\* Correlation is significant at the 0.01 level (2-tailed).

The data of our study cover some reasons for the differences between ethnic Latvians and Russians in the application of universal moral norms to the regulation of relations within teams (in commercial organizations, state institutions or student groups). As shown by research materials, ethnic Latvians more often than Russians show respect for the opinion of colleagues with equal social status (71,8% and 59,9%, respectively). And also, it is Latvians who more often than Russians recognized that they can defend their opinion in the community with colleagues on issues related to professional obligations (64,1% and 51,0% respectively). At the same time, ethnic Latvians and Russians are characterized by an approximately equal proportion of those who are able to set aside their opinion before the leadership (management and teachers) and respect the opinion of this leadership (Table 12). These data suggest that the strengthening of the universality and obligatory nature of moral norms in solving production problems should largely take place on the basis of the development of a sense of collegiality, respect for the opinion of people with equal social status, which also implies the development of the ability to set aside their opinion among colleagues with the same social status, the development of the principles of “democracy in the workplace”.

**Table 12.** The level of adherence to a set of principles in the performance of professional duties or in the process of studying at school or university (answer: “usually it works”, %)

<b>Forms of individual experience</b>	<b>All</b>	<b>Latvians</b>	<b>Russians</b>	<b>Mann Whitney U test</b>
I respect the opinion of my colleagues (colleagues, students) of equal status	67,6	71,8	59,9	0.002**
I can defend my opinion on issues related to the performance of my duties in communication with colleagues (colleagues, students) who have an equal status with me	58,2	61,4	51,0	0.006**
I respect the opinion of management (leaders, teachers).	58,8	59,6	56,0	0.297
I am able to defend my opinion in communication with management (managers, lecturers)	50,0	51,0	49,4	0.286

\*\* Correlation is significant at the 0.01 level (2-tailed).

### Conclusions

The authors of the article showed the importance of studying the economic environment and organizational culture in Latvia, as an ethnically diverse side, taking into account the influence of the ethnic factor. Since there are two ethnocultural poles in the ethnic diversity of Latvia – ethnic Latvians, who are the core of the Latvian nation-state, and Russians, as the largest ethnic minority in the country, the author of the article focused on the issue of the nature of ethnic differences within the Latvian organizational culture. The conducted sociological research showed that the ethnic differentiation of the Latvian society has an impact on the established organizational culture in commercial organizations and state organizations, as well as on the perception of the professional qualities of Russians by ethnic Latvians, and vice versa, on the perception of the professional qualities of ethnic Latvians by Russians. These ethnic groups are characterized by ethnic favoritism in a more positive assessment of the business qualities of "their" ethnic group compared to the professional qualities of the "other" group. Ethnic favoritism affects a fairly common phenomenon as the presence of elements of ethnic segmentation of economic life. Despite the fact that institutions and value systems function in the public, including economic life of Latvia, which contribute to the inte-

gration of society, the creation of a typified national culture, including in economic life, ethnic boundaries exist in organizational culture. This is manifested in the weakened role of universal moral norms (for example, the ideal of justice) in regulating relations between ethnic Latvians and Russians in public life, including economic life. If we talk about the most important differences between ethnic Latvians and Russians in their orientation towards different types of organizational culture, then the data of the conducted sociological survey showed a greater orientation of ethnic Latvians towards the need to seek agreement when solving communication problems with colleagues compared to Russians, who more often allow the possibility of conflict. Russians are characterized by a greater respect for the established administrative hierarchy than is shown by ethnic Latvians, who value the principles of equality in communication with colleagues more highly.

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