

Survey of Ethical Managerial Behavior – a Three Country Comparative Study

Andrea Bencsik, Renáta Machová, Lilla Csókás

Faculty of Economics, J. Selye University
Bratislavská cesta 3322, 945 01 Komárno, Slovak Republik,
e-mail: bencsika@uj.sk; machovar@uj.sk; 107564@student.uj.sk

Tímea Juhász

SAP-consultant, Hostlogic Co., Hungary, e-mail: tjuhasz@hostlogic.hu

Kornélia Lazányi

Keleti Károly Faculty of Business and Management, Óbuda University
Tavaszmező u. 17, 1084 Budapest, Hungary
e-mail: lazanyi.kornelia@kgk.uni-obuda.hu

Abstract: The research presented in this study is focusing on upright managerial skills, considering the expectations towards the manager and ethical leadership behavior. The research, including quantitative and qualitative elements have addressed 3 countries (Hungary, Slovakia, Czech Republic). The questions of the survey focused on differences between upright managerial and leadership qualities, as well as the questions of ethical managerial behavior. In addition to employee opinion and considering the managerial aspects, the authors conducted a questionnaire survey to complement the research results. The results of the descriptive and complex statistical analysis have shown that there is significant difference in the opinion of respondents of the mentioned countries regarding the leadership qualities and expectations, as well as the ethical behavior.

Keywords: leader; leadership; ethics; code of ethics

1 Introduction

The changes on the labour market require a new type of leadership (Mura et al., 2017, Poór et al., 2017). Earlier, high-level of intelligence and professional competence were the key features of managerial success. Nowadays, the importance

of emotions is in focus, as human factors are becoming more and more appreciated. Commitment of the employee and the need for ethical leadership behavior are also widely discussed issues, when we consider leadership efficiency and success of the workplace as a community.

Rational behavior was expected from leaders in the past, while emotions were considered an irrational factor (Lazányi, 2009 a,b). Nowadays, communication and decisions of managers should be influenced by emotions, so the role of emotions cannot be excluded. Since the 1980s it has been widely accepted that managers have to deal with emotions of their subordinates because ignoring emotions can result in decreased management efficiency (Lazányi, 2011). A good manager has the appropriate mental skills and expertise, but emotional intelligence is a key to succeed (Poór, 2009). However, besides cognitive and emotive components, ethical factors also seem inevitable when describing an upright manager or leader. As ethical leaders are moral agents of their organisation (Xu et al., 2016) they are key determinants of organization-focused justice. Just and ethical leaders engender employees' trust in their employing organization, which in turn promotes their justice perceptions toward their organisation.

Hence, to achieve success and recognition of the organization it is necessary to introduce a leadership style, where emotional involvement and ethical behavior are emphasized. To achieve efficiency and employee satisfaction we need managers with a focus on emotions, rather than managers exercising their power. These managers are called, leaders" and have distinctive characteristics of their behavior and leadership style. The main objective of the research is to detect a relationship between these factors and explore their application in practice.

2 Theoretical Overview – Leadership

The basics of leadership as a science are connected with the origin of the civilization. The rulers of Egypt, the Greek heroes and the biblical patriarchs have one thing in common – leadership style.

Numerous definitions and theories emerged about the concept, content and meaning of management and leadership. Based on the scientific background, it is a process influencing the behavior between the superior and the subordinate. Our main objective was to find out how the behavior and qualities of superiors influence the business processes, how the superiors tend to motivate their employees to meet objectives that serve the goals, needs and expectations of both sides (Bakacsi, 2004); (Day, Antonakis, online, 2015); (Stoner, Patterson, online, 2005). The leadership expectations and the qualities of a good leader had been defined by the Greek philosopher, Plato (The Republic). There are four qualities that make a good leader. These qualities are: wisdom, courage, moderation and justice. Numerous

researchers and professionals addressed the theoretical and practical aspects of leadership. The question “Who is a good leader?” reoccurs in most of the publications. The 20th century has become the decade of development of the management science. The science is a subject to constant change, which is constantly influenced by social and economic systems (Sedlák, 2009); (Szűcs, Rády, Matkó, 2013); (Tureckiová, 2007). The research of Kurt Lewin (2015), a representative of behavioral science became a pioneer in several aspects. He outlined the conclusions about leadership styles in 1938, and summarized the results of a series of experiments based on simulated problem solving in a team. He interpreted three different management styles (Bakacsi, 2004); (Heidrich, 2011).

His theory is based on three types of behavior:

1. **Autocratic leadership style:** all the important issues are managed by the leader; he sets the tasks and organizes the teams. He is solely responsible for decision making, controlling, evaluation and providing reward for the employees. The leader's behavior can be characterized rather friendly and impersonal than hostile.
The experiments of Lewin have shown the highest performance in this group (74%), but the performance was combined with stress. Resignation of the leader was followed by declining performance (29%). The autocratic leader is significantly limiting the independence of team members.
2. **Democratic leadership style:** the most important issues are decided by team members following a debate. The leader acts as a facilitator and encourages members of the team. The members of the team can decide who they want to work with, and the team is responsible for sharing tasks among the team members. The leader is objective or realistic. This style of leadership leads to 50% of performance. The activity can be characterized by creativity.
3. **Laissez-faire/ delegative leadership style:** the leaders are hands-off and allow team members and individuals to make decisions; they do not cooperate. The leader provides different tasks to team members and encourages the staff to ask for further information, if necessary. He is not involved in debate or consultation. The Laissez-faire style of leadership is characterized by low quality of work. The team performance is only 33%.

The research results show that the team members found democratic and laissez-faire style of leadership the most appropriate, but autocratic style of leadership proved to be better in case of solving tasks (Dobák, Antal, 2013); (Dobák, Antal, 2010). However, it is true about all the styles introduced above that the leader–follower relationship is a dyadic one-on-one relationship, hence there is no leader without a follower (Lussier, Achua, 2004).

The concept of management and leadership, as well as the correlation between them has been addressed by many researchers. It is not the aim of this study to discuss this issue in detail. However, we find it important to highlight the issue relevant to

our research, to emphasize the difference between leadership and management. It is a question of debate, whether difference between leadership and management exists or not. New theories emerged in the field of leadership science in the 1980s. Conger and Kanungo (1998) have made an influence with the concept of charismatic leadership in the organization (Karácsonyi, 2006). Charismatic leadership is the attribution of leadership behavior, perceived by the employees. Based on the theory, leadership can be defined as a kind of behavior. The charismatic leader is differentiated from non-charismatic leaders by the following behavioral elements:

- Vision for the future
- Personal risk taking
- Sensitivity towards the environment
- Sensitivity to followers needs
- Behavior different than the usual

By articulating a vision, having sensitivity to followers needs and developing a sense of collective identity, charismatic leaders may strengthen identity-based trust (Lewicki, Bunker, 1996). Caldwell and Karri (2005) have defined 15 characteristics of great leaders. In his model integrity, as the main initiator of organizational and interpersonal trust creates congruence and alignment of organizational rules and values, while an upright moral position and ethical principles ascertain that the leader honours his duties and that the interests of all parties will be taken into account and protected (Caldwell et al. 2008).

The introduction of one of the oldest and the most basic theories of human sensibility is only a brief excerpt of the models and theories, which focus on leadership behavior aimed at achieving success. We will not provide a detailed presentation, but their importance is undisputable regarding the research of successful leadership. We wanted to know in what measure the respondents agree with the existence of leadership qualities.

The good leader has excellent interpersonal skills and can motivate the team of his employees. He is systematic and can handle the unexpected situations; can exercise his authority and build mutual respect; emphasizes cooperation and enthusiastically involved in it. He is able to adapt to specific situations and accept different opinions and perspectives, thus enabling the staff to accept the vision of the organization and common objectives. A leader is able to generate trust in his subordinates, where they do not only enter into a social contract with another party, but willingly accept the risks involved within that relationship as well (Mayer, Gavin, 2005), (Lazányi et al. 2017). Subordinates, by their choice of following a leader relinquish their personal choice to another person hoping that the leader will honor his duties (Caldwell, Clapham, 2003). Hence, trust is a basic function of the leader-follower relation. What is more, according to Brown's findings (Brown et al. 2005) trust and the perceived level of the leader's fairness play vital roles in the formation of employee perceptions about their leaders' ethics and the organization's ethical climate, influencing the subordinates' motivation and their behavior.

2.1 Business Ethics

Ethics means moralization, so we can conclude that it is related to morality and morals (Bláha, Dytrt, 2003); (Jankovský, 2003); (Lewis, 1985).

According to an ancient hypothesis, ethical or moral behavior expresses self inspiration of an individual to control their behavior in order to benefit ourselves and others, without being harmful for anyone.

Ethics is a science dealing with moral principles. Its main objective is to explore specific rules and principles, which define what is acceptable or not in certain situations. These rules and principles are called ethical theory (Crane, Matten, 2007). Business ethics became a discussed issue about 50 years ago in the USA. In 1990s, Zsolnai and Kindler (1993) published a comprehensive study about the impact of ethics on the economy. Boda and Radácsi (2002) emphasized the function of strengthening social expectations in the development of business ethics, highlighting that not only the environment but the corporate executives themselves required the fixing of ethical norms to deal with internal moral conflicts. According to the authors, the primary objective of corporate ethics is to provide an analysis framework for decision making and suggest solutions to enhance ethical behavior of management (Varsányi, 2006).

The emergence of business ethics in the 1980s was a revolutionary paradigm shift that brought a new way of thinking. Beside profit maximization, ethical corporate behavior became important. This period is linked to the social audit of The Body Shop, and the People, Planet and Profit strategy of Shell and the spread of CSR programmes. This period was the age of business ethics (Crane, Matten, 2010); (Zsolnai, 2015).

Several factors are listed below about the key role of business ethics:

- The public is often disturbed by new developments in the companies, but corporate ethics help to understand and accept the changes difficult to tolerate and the new situations.
- The businesses provide opportunities that make a significant contribution to the society, e.g. products, services, workplaces and pay tax. These are the pillars of the economic development.
- The violation of business law can cause enormous damage to individuals, the community and the environment as well.
- Some businessmen have already participated in training about business ethics in Europe and elsewhere. Business ethics can help in ethical decision-making by providing leaders with appropriate knowledge and tools and enable them to identify and analyze the situations precisely and find solutions to ethical issues and dilemmas they face.
- Ethics violations are still present in the business world. According to a recent research in England, which focuses on workplace ethics, one out of four

employees felt heavy pressure when they had to compromise between their own and the company standards.

- Business ethics is providing knowledge beyond the traditional framework of economic studies and confronts us with important issues of the society (Crane, Matten, 2007).

Ethical principles and behavioral rules are summarized in the Code of Ethics that should be respected by the members of the organizations.

2.1.1 Ethical Expectations

Ethical behavior is important for all of us. In the corporate environment, managers are the people who should serve as role models for their employees. Trust in managers is proved to be related to the perceived level of ethical leadership and a have positive effect on work engagement as well (Chughtai, 2015). In line with this Trong Tuan (2012) emphasised the importance of congruence between espoused and enacted values since this is one of the cornerstones for the development of employees' trust in managers.

This is equally relevant to ethical behavior and decision making. The concept of ethical leadership was formulated by Brown, Treviño and Harrison (2005). According to them, ethical leadership is based on two pillars: a moral person and a moral leader. They suggest that the ethical leader must be more than just a moral person. He must act as an ethical leader. However, ethical decision-making is not enough for the leaders to be ethical people. The followers have to see their leaders as an example for ethical behavior. This can be manifested in visible actions, rewards, discipline and mediating values (Donlevy, Walker, 2011); (Lasthuizen, 2008); (Spangenberg, Theron, 2005). Howell and Avolio (1992) defined the factors that determine the ethical and non-ethical behavior of the leader. The following table summarizes the factors.

Table 1
The characteristics of ethical and non-ethical leaders

Ethical leader	Non-ethical leader
The power is exercised for the interests of others	The power is exercised for individual interest
The vision is based on the needs and desires of followers	Realises his own personal vision, the vision is communicated to followers
Considers the criticism and learns from the mistakes	The critical opinion is censored
Inspires independent thinking of the followers	Requires to agree with his decisions without doubt
Practices two-way communication	Practices one-way communication
Supports and develops the followers	Does not consider the needs of his followers

Respecting the internal moral rules, represents the interests of the organization	Takes into account the external moral rules to fulfill his own interests
---	--

Source: Howell and Avolio, 1992 Page 45

The authors studied the relation and validity of the concept leadership-leader-ethics, based on the answers of respondents of three nations.

3 Research Methodology – The Research Sample

The survey was conducted in 2017 in Hungary, Slovakia and the Czech Republic. The listed countries belong to the group of Central and Eastern European countries and were recognized as socialist countries until the political transition. Nearly three decades have passed on since the political transition, both the societies and the economy struggle with some characteristic features of the past regime. All of the mentioned states have a very similar political past, which has had impact on the economic achievements of these countries. The closed borders did not provide possibility for proper development. The influx of foreign capital started after removing the borders, and different level of development has started in the mentioned countries. The common past and similar economic conditions were the factors to examine these countries.

3.1 Methodology

The research was conducted using a questionnaire survey and personal interviews. The questionnaires were distributed in the selected countries. The issue was researched from the perspective of the employees. The submitted questionnaires satisfied the requirements of representation on the basis of statistical registers. The questionnaires were sent to 5000 employees, 486 questionnaires were returned completed. The willingness to respond was more than 9%, but the research sample is not representative. The specification of our respondents will be presented in the next chapter. In order to confirm the results of the questionnaire survey, we conducted interviews with the managers of individual countries. This paper will present the results of the quantitative research. The questionnaire consisted of closed questions, based on nominal and metric scales. The questionnaire was divided into three main parts. The first part of the questionnaire focused on the issue of leadership; the second big question group concentrated on the issue of ethics; and finally the authors examined the correlation between the leadership and ethics.

The researchers have differentiated the concept of leader and manager in the survey, so the questions focused on the required characteristics of the manager, characteristics of a good leader and elements of behavior. Rest of the survey

questions focused on ethical behavior, examined the ethical values of the leaders and included questions about the Code of Ethics in the companies. We were interested in how the companies respect regulations, whether the employees are familiar and respect them. In the third phase the ethical behavior of the leader and its impact on employee satisfaction has been examined.

3.2 Methodology of Analysis

The analysis was performed by using a single and multivariate statistical methods (frequency, standard deviation, mean analysis, cross-table interpretations, nonparametric tests, cluster and factor analyzes) applying the SPSS programme. The research results are presented on the basis of the following hypothesis.

Hypothesis:

The respondents of the surveyed countries had different opinions about the relationship between leadership and ethics.

4 Research Results

The introduction of research results we will start by specifying the research sample. The tables below contain the most important characteristics. Table 2a presents the characteristics in figures, while in Table 2b the results are expressed in percentages.

Table 2a
Sample characteristics in figures

	Hungary	Slovakia	Czech Republic
Gender			
Male	62	80	54
Female	94	118	78
together	156	198	132
Age			
18-25	22	32	24
26-35	85	70	49
36-45	41	60	35
> 45	8	36	24
Type of the company			
Micro enterprise	2	34	18
Small enterprise	20	58	28
Medium-sized enterprise	20	66	26
Big enterprise	114	40	60

Source: Authors' own research

Table 2b
Sample characteristics in %

	Hungary	Slovakia	Czech Republic
Gender			
Male	12.8%	16.5%	11.1%
Female	19.3%	24.3%	16.0%
total	32.1%	40.8%	27.1%
Age			
18-25	4.5%	6.6%	4.9%
26-35	17.5%	14.4%	10.1%
36-45	8.4%	12.3%	7.2%
> 45	1.6%	7.4%	4.9%
Type of the company			
Micro enterprise	0.4%	7.0%	3.7%
Small enterprise	4.1%	11.9%	5.8%
Medium-sized enterprise	4.1%	13.6%	5.3%
Big enterprise	23.5%	8.2%	12.3%

Source: Authors' own research

The first part of the questionnaire deals with the leadership qualities. The respondents had to express their opinion about the qualities emphasized by Plato (wisdom, courage, moderation and justice). The respondents had to decide on 5-point Likert Scale how much they agree with the ideas mentioned above. The scale is used to express the opinion of respondents, where 1 = not characteristic at all, 5=absolutely characteristic. 82.1% of the respondents agreed with the definition; the average was 4.2, while deviation was low (838), which means that the respondents had a relatively unanimous opinion on the issue. The authors examined whether the respondents in different countries have different opinion on the issue discussed. As the metric variable did not show normal distribution, the researchers conducted a Kruskal-Wallis Test. The results showed no significant disagreement among the respondents of different countries (Chi-Square: 4.418 df: 2 sign.: .110 $p > 0.05$). Mainly the Slovak respondents accepted the definition (average: 4.24), while the lowest level of acceptance was shown by the Hungarian respondents (average: 4.13). To consider what is expected from the leader, the authors used the qualities defined by Conger and Kanungo. These qualities had to be valued on 5-point Likert Scale, where 1 = not characteristic at all, 5=absolutely characteristic. Table 3 presents the average and standard deviation of the answers.

Table 3
Qualities of a good leader (mean value, standard deviation)

Qualities	N		Average	Standard deviation
	Valid	Missing		
Future vision	486	0	4.15	.880
Personal risk taking	486	0	3.80	.941
Sensitivity towards the environment	486	0	3.84	1.010
Sensitivity to followers needs	486	0	3.94	1.005
Behavior different than the usual	486	0	3.08	1.082

Source: Authors' own research

Based on the collected data from the respondents, the leader should represent the future vision in the company, while being open to his employees. Presentation and symbolization of the future vision does not imply that he should also represent a behavior different than the usual. Based on the results of Kruskal-Wallis Test, the opinion of respondents about the qualities listed differed only in one case. Mainly the Hungarian respondents agreed with the future vision (Chi-Square: 4.078 df: 2 sig: .130 $p > 0.05$); average: 4.29), while Slovak respondents agreed the least (average: 4.09).

The next focus of the research was to evaluate, whether the respondents accept their subordinate as a leader or rather a manager. To make a decision, the respondents were provided a definition by the authors. The following definition was formulated: "We think about the manager as a leader, who is providing an added value by enhancing the self-confidence of his employees, their belief in their skills and experience. He is able to motivate his team and can be characterized with excellent interpersonal skills; can handle uncertain situations; manages with prestige and puts great emphasis on teamwork; respects colleagues and capable of adapting to different situations and act accordingly. The good leader can accept the diversity of colleagues, who accepts the vision and goal of the organization, as well as work hard to achieve it."

Based on the definition, 70% (340 respondents) of the respondents considered their superiors to be a leader. Those respondents, who thought about their superior as a leader expressed their opinion about the importance of further qualities of a good leader. A 5-point scale was used for evaluation, where 1= not characteristic at all and 5= absolutely characteristic.

Table 4
Leadership characteristics (average, standard deviation)

Characteristics	N		Average	Standard deviation
	Valid	Missing		
strengthens the self-confidence of the staff	340	0	3.83	.955

inspires the team in different situations	340	0	3.85	.914
has strong interpersonal skills	340	0	3.90	.893
is able to handle uncertain situations	340	0	4.11	.794
instead of exercising power leads with prestige	340	0	4.00	.910
respects his colleagues	340	0	4.16	.911
emphasizes teamwork	340	0	3.99	1.006
accepts the diversity of colleagues	340	0	4.10	.914
can inspire colleagues to accept the future vision and goals of the organization, as well as work hard to achieve it	340	0	3.92	.851

Source: Authors' own research

According to the answers of respondents about their superiors, the leader respects his colleagues, does not discriminate and can handle different situations. The respondents had a relatively similar opinion. The qualities mentioned in the table had been converted into factors for further analysis. All variables corresponded to factor formation (KMO value .916, Barlett-test: approximate Chi-square: 1652.878 df: 36 sign.: .000). The proportion explained was 66.552%, while Varimax rotation was used for factor formation. Two factors have been introduced:

1. The first factor covers the characteristics regarding the emotional intelligence of the leader. (accepts diversity of his colleagues; respects his colleagues; emphasizes teamwork; can inspire colleagues to accept the future vision and goal of the organization and works hard to achieve it; instead of exercising his power manages with prestige)
2. The second factor covers the characteristics connected to the management of the organization (the leader has excellent interpersonal skills; can handle uncertain situations; can inspire the staff; is able to strengthen the self-confidence of employees)

Based on the opinion of the respondents, the authors conducted further analysis. The factors were used to create homogeneous groups by clustering. 3 clusters were created, and the cluster centers are demonstrated in Table 5.

Table 5
The Cluster centres

	Cluster		
	1	2	3
REGR factor score 1 for analysis 1	.47997	-1.41107	.38284
REGR factor score 2 for analysis 1	-1.22804	-.06517	.58408

Source: Authors' own research

Based on the cluster centers, the following clusters have been formed:

1. The leader's qualities are weak to manage the organization.
2. Both factors in the cluster are weak, especially the first factor (emotional intelligence) is strongly negative.
3. Both the emotional intelligence and managerial skills of the leader are strong.

According to the respondents, 82 managers belonged to the first, 77 to the second and 181 to the third cluster.

It was also a subject of the analysis, if there is difference between the classification of managers of the surveyed countries into different clusters. The Chi-square test showed a significant difference: Chi-square: 11.206 df: 1 sign.: .024 $p < 0.05$. The results showed that more than half of the Hungarian respondents ranked their superiors in the third cluster, while each sixth of the respondents ranked them into the second cluster. 46.5% of the Slovak respondents ranked their superiors into the third cluster, while each second respondent placed them into the second. The respondents of the Czech Republic ranked their superiors into the third cluster, while each fifth of the respondents placed them in the second cluster. According to answers of respondents, their managers are rather leaders, while their emotional intelligence should be improved.

The following questions focused on the respondents' satisfaction with their managers. About 65% of the respondents were satisfied with their superior, who were evaluated on 5-point scale (1=absolutely dissatisfied and 5= absolutely satisfied). The authors also examined, if there is a difference in level of satisfaction between those, who considered their superior a leader or not. The non-parametric Mann-Whitney U test 8068.00 sign.: .000 signalled a significant difference. Those who categorized their superiors as leaders have reached a satisfaction rate of 4.11 combined with a low-level of standard deviation .844. Those, who did not think about their superiors as leader had a very low rate of satisfaction 2.77 with a higher level of standard deviation (standard deviation: 1.033).

The respondents had to position their superior according to Lewin's leadership styles. According to 32.7% of the respondents their superiors are autocratic, 52.9% apply democratic style of management and 14.4% fall into Laissez-faire style. The classification of leadership style had no significant effect on the nationality of the respondents (Pearson Chi-square: 5.365 df : 4 sign.: .252 $p > 0.05$).

The authors have analyzed whether there is a correlation in the pattern between the satisfaction with the leader and the leadership style. The Kruskal-Wallis test proved a significant correlation (Chi-square: 123.592 df: 2 sign.: .000 $p < 0.05$). The respondents were mainly satisfied with democratic style of leadership (average: 4.18), followed by Laissez-faire style of leadership (average 3.73) and the least popular was the autocratic style of management (average: 2.93).

The next part of the questionnaire focused on opinion about ethical issues. According to an ancient belief, the moral or ethical behavior expresses that individuals control their behavior to benefit others or cause no harm to anyone.

The first questions the authors examined were, whether ethical misconduct or problems occur on the workplace and if the companies have already introduced the Code of Ethics, including the required ethical principles to respect in the company. The analysis was also interested in how much the employees know about the Code of Ethics and how familiar they are with the principles involved in the document. About a third of the respondents have already experienced ethical misconduct in their workplaces. 33.3% of the Hungarian 22.2% of the Slovak and 33.3% of the Czech respondents had experience with ethical violation on their workplaces. The authors have collected several options regarding ethical violation. The respondents had to decide in what measure the listed options are characteristic for their organizations. They had to evaluate the listed options on the 5-point Likert Scale (1= not characteristic at all, 5- absolutely characteristic). The standard deviation and the average are presented in the table below:

Table 6
Non-ethical forms of behavior

Non-ethical forms of behavior	N		Average	Standard deviation
	Valid	Missing		
Lie	486	0	2.37	1.106
Deception	486	0	2.33	1.035
Bluffing	486	0	2.44	1.084
Abuse of power	486	0	2.54	1.236
Fail to comply with the law	486	0	1.97	1.019
Remain quiet about the key information	486	0	2.28	1.077
Agression	486	0	1.72	.958
Bribery	486	0	1.69	.903
Sexual orientation discrimination	486	0	1.66	.936
Companies ignore their negative impact on the external environment	486	0	1.83	.987

Source: Authors' own research

The low average values show that the listed non-ethical forms of behavior and procedures are relatively uncommon on the workplaces of the respondents. The highest average among the listed ones was shown in case of abuse of power. The standard deviation is the highest, which means that the respondents did not share the same opinion. Sexual discrimination was considered to be the least typical and respondents had a relatively similar opinion.

The authors have also analyzed whether there is difference in terms of ethical forms of behavior listed between the individual countries. The test has shown a significant difference in the following cases:

Table 7
Kruskal-Wallis-test ($p < 0,05$)

	Chi- Square	df	Asymp. Sig.
Deception	8.036	2	.018
Bluffing	7.094	2	.029
Abuse of power	6.232	2	.044
Bribery	9.873	2	.007

Source: Authors' own research

In terms of deception, the highest average was for the Hungarian respondents (average: 2.5), the lowest for Czechs (average 2.24). Bluff was the most typical for Hungarians (average 2.56) and the least typical for Czechs (average: 2.29). Abuse of power has shown the highest value with Hungarians (average: 2.71), the lowest value was achieved by Slovak respondents (average: 2.40). In case of bribery, the highest average was given by the Czech respondents (average: 1.79), while the lowest value by Hungarians (average 1.51).

According to the respondents, 36.6% of the organizations have Code of Ethics that employees have to be familiar with. 9.1% of the respondents know about the Code of Ethics, but do not control whether the principles are kept or not. 13.2% of the organizations have Code of Ethics, but the employees are not familiar with it. 41% of the respondents answered that the organizations they work for do not have a written set of principles in the form of Code of Ethics. There was significant difference regarding the nationality (Pearson's Chi-Square test: 62.280 df: 6 sign.: .000 $p < 0.05$). The Hungarian organizations follow the principles of the Code of Ethics (48.7%). The most frequent answer of Czech and Slovak respondents was the absence of Code of Ethics (Slovak respondents 57.0%, Czech respondents 43.9%).

The respondents were asked about their reaction if they recognize that colleagues or superiors do not respect the principles of the Code of Ethics. Most of the respondents (40.6%) signal that the principles of the document were not respected; 24.4% of the respondents showed no reaction at all; 20.6% would announce any unfair action; 14.4% warn the attention of the person for unfair action. During the examination of the question in different countries, the authors identified a significant difference (Pearson's Chi-Square: 20.743 df: 6 sign.: .002 $p < 0.05$). The majority of Hungarian respondents (30.8%) take no action, while 58% of the Slovak and 50% of the Czech respondents warn the attention for unfair action.

Further question was whether the manager always respects the principles of Code of Ethics. The respondents had to provide their answers on 5-point Likert scale, where 1= not characteristic at all and 5= absolutely characteristic. The average value was 4.35 and the standard deviation .709, which suggests that the phenomenon is

really characteristic. The low average value shows that respondents have similar opinion. The Kruskal-Wallis Test also presented different opinion of the countries involved in our research (Chi-Square: 11.226 df: 2 sign.: 004 $p < 0.05$). The most characteristic was the statement in case of the Czech respondents (average 4.49) and the least characteristic was in case of the Slovak respondents (average: 4.17). According to 68.7% of the respondents, the managers show ethical behavior, while 13.6% of the respondents experienced unethical behavior.

Finally, several forms of unethical behavior were listed and respondents had to choose, which form of unethical behavior and to what extent was characteristic for their managers (where 1= not characteristic at all and 5= absolutely characteristic). The average of answers and the standard deviation is presented in Table 8.

Table 8
Unethical forms of behavior

Forms of behavior	N		Average	Standard deviation
	Valid	Missing		
Different treatment of employees	486	0	2.32	1.189
Using inappropriate tone	486	0	2.27	1.173
Abuse of power	486	0	2.23	1.222
Unfair evaluation	486	0	2.23	1.187
Retaining information	486	0	2.25	1.118
Distrust	486	0	2.24	1.154

Source: Authors' own research

Low averages have emerged in case of different forms of behavior, which show that unethical forms of behavior are not really characteristic. The high value of deviations proves that respondents had very different opinion regarding different forms of behavior. Significant difference in opinion is shown in case of two forms of unethical behavior: "using inappropriate tone" and "retaining information". The Slovak average (2.39%) was the highest in case of the first (using inappropriate tone), while highest average (2.41%) in case of the latest (retaining information) was shown by the Hungarian respondents. *Summarizing the results above, the hypothesis was accepted.*

Conslusions

The present paper presents the results of survey conducted in 2017. The research focused on management vs leadership and ethical issues in three different countries. Based on the result sample of the survey, the Hungarian, Czech and Slovak respondents had different opinion about the relationship between ethics and leadership.

Our respondents have agreed on the most important qualities of a good leader, emphasized by Plato. These are the following: wisdom, courage, moderation and justice. In addition, the most important feature of the good leader is to represent the

vision of the organization, to remain open to employees and consider the needs of them. However, the mentioned characteristics do not determine a different behavior as a manager. Marcus Buckingham (2009) also emphasized that a good leader can recognize the value and unique qualities of the employee, as well as he can utilize them.

We have also examined the ratio of those, who are called leaders by their employees in the mentioned Central and Eastern European countries. A relatively high ratio (70%) of respondents think that their superior is a leader. This can be seen as a very positive achievement and it also reflects that our region is dominated by leaders respecting their employees, who do not practice discrimination and are able to handle different situations. Our research has shown that all the employees, who think about their superiors as leaders were more satisfied with the superior. We came to conclusion that it has impact on the employee's satisfaction if their superior is considered to be a leader.

Based on the Lewin's experiment, we have examined which style of management is the most widespread among the managers. More than half of the managers practice democratic style of management. This is followed by the autocratic style of management, represented by one-third of the managers. The smallest ratio was achieved by managers practicing Laissez-faire style of management. We have also analyzed which management style the employees were the most satisfied with. Respondents were the most satisfied with the democratic style of management, followed by Laissez-faire. The least satisfied were with the autocratic style of management. This result matches the research results of Lewin, however Lewin studied employee efficiency influenced by different styles of leadership. We have recognized a correlation between employee efficiency and their satisfaction. As a result, those superiors will make their employees satisfied, who consider the interests of their subordinates. This is a key to cooperation and efficiency. This result is supported by the research results conducted earlier (Vlacseková, Mura, 2017).

The second part of the research focused on ethics. We have primarily studied the ethics violation on workplaces in the Central and Eastern European countries mentioned above. The Hungarian and Czech employees have experienced workplace ethics violation at a similar rate of 33.3%. The employees of Slovak businesses have experienced ethical misconduct in a lowest measure of 22.2%. The Hungarian respondents experience several examples of ethical misconduct, but the majority of them do not react after recognizing it. It is also true that the unethical form of superior behavior shows a low average, similarly to other countries. The Slovak respondents encounter a relatively low rate of ethical misconduct, but there is low number of companies with a Code of Ethics, while the majority of Czech respondents warn the attention in case of any ethical misconduct.

The low average value shows that ethical violation is not common on the workplaces of the surveyed Central and Eastern European countries. It is true that

the ratio of these cases is relatively low, but we were interested in the possibility to decrease their occurrence on the workplaces. We believe that development and implementation of the Code of Ethics can serve as a good basis. Our survey shows that nearly 60% of the respondents emphasized the existence of Code of Ethics on their workplaces. The ratio is relatively high, but our survey results show that only 36.6% of the companies require their employees to respect the requirements included in the document. To respect the Code of Ethics was the most characteristic for the Hungarian organizations. The data presented shows that there is a need to introduce the Code of Ethics and comply with the requirements involved in the document. We think, it will help employees of the company to make good decisions, and will contribute to efficient operation of the company. It also provides guidance both for employees and their superiors about the behavior expected on the workplace. In addition to guidelines, the Code of Ethics clearly outlines the implications of non-ethical behavior. Being familiar with the consequences may reduce the frequency of ethical violation.

We found it important to examine whether a good leader respects the Code of Ethics in every situation. We believe that the leader should act as a positive example in front of the employees. If they do not respect the Code of Ethics, it cannot be required from the employees as well. Our research results show that compliance with the rules of the Code of Ethics is important, and the leaders should respect them. Only a small percentage of managers can be characterized by unethical behavior. We can conclude that they are genuinely aware of their role to be an example for employees.

The behavior of the manager has a strong impact on the employee satisfaction. Those employees are satisfied with their managers, who are A type of leader and exercise democratic style of management. Our research also emphasizes that ethical behavior is an essential attribute of a good manager. Hassan and colleagues (2013) reached similar results in their research. Attention is drawn to the fact, that managers have recently encountered difficulties in motivating their employees, but practising ethical behavior has positive impact on their employees and will increase their satisfaction.

Acknowledgements

The scientific article is a partial result of the research carried out with the support of the Hungarian Academy of Sciences (1051 Budapest, Nádor utca 7) by the DOMUS HUNGARICA scholarship and the New National Excellence Program supported by Hungarian Ministry of Human Resources.

References

- [1] Bakacsi, Gy. 2004.: Szervezeti magatartás és vezetés, Budapest: Aula Kiadó, 2004, 344 pp.
- [2] Bláha, J. and Dytrt, Z. 2003.: Manažerská etika, Praha: Management Press, 2003, 155 pp.

- [3] Buckingham, M. 2005.: What Great Managers Do, Harvard Business Review, 2005, Accessed: 03.11.2017., <https://hbr.org/2005/03/what-great-managers-do>
- [4] Boda, Zs. and Radácsi, L. 2002. : Vállalati etika. BKE Vezetőképző, Budapest, 2002.
- [5] Brown, M. E., Treviño, L. K. and Harrison, D. A. 2005. : Ethical leadership: A social learning perspective for construct development and testing, *Organizational Behavior and Human Decision Process*, 2005, 97 (2), 117 pp.
- [6] Caldwell, C. and Clapham, S. E. 2003. : Organizational Trustworthiness: An International Perspective, *Journal of Business Ethics*, 2003, 47(4), 349–364 pp.
- [7] Caldwell, C., Hayes, L. A., Bernal, P., and Karri, R. 2008. : Ethical stewardship—implications for leadership and trust, *Journal of business ethics*, 2008, 78(1-2), 153-164 pp.
- [8] Caldwell, C. and Karri, R. 2005. : Organizational Governance and Ethical Choices: A Covenantal Approach to Building Trust, *Journal of Business Ethics*, 2005, 58 (1), 249–259 pp.
- [9] Chughtai, A., Byrne, M., and Flood, B. 2015. : Linking ethical leadership to employee well-being: The role of trust in supervisor, *Journal of Business Ethics*, 2015, 128(3), 653-663 pp.
- [10] Conger, J. A. and Kanungo, R. N. 1998.: *Charismatic Leadership in Organizations*, SAGE Publications, 1998.
- [11] Crane, A. and Matten, D. 2007. : *Business Ethics: Managing Corporate Citizenship and Sustainability in the Age of Globalization*, 2nd Edition, Oxford: Oxford University Press, 2007, 566 pp.
- [12] Crane, A. and Matten, D. 2010. : *Business Ethics: Managing Corporate Citizenship and Sustainability in the Age of Globalization*, 3rd Edition, Oxford: Oxford University Press, 2010, 591 pp.
- [13] Day, J. V. and Antonakis J. *Leadership: Past, Present, and Future*, Accessed: 31.10.2017., http://www.sagepub.com/sites/default/files/upm-binaries/41161_1.pdf
- [14] Dobák, M. and Antal, Zs. 2010. : *Vezetés és szervezés, Szervezetek kialakítása és működtetése*, Budapest: Aula Kiadó Kft, 2010 483 pp.
- [15] Dobák, M. and Antal, Zs. 2013.: *Vezetés és szervezés, Szervezetek kialakítása és működtetése*, Budapest: Akadémia Kiadó, 2013, 483 pp.
- [16] Donlevy, J. K. and Walker, K. D. 2011.: *Working Through Ethics in Education and Leadership*, Rotterdam: Sense Publishers, 2011, 156 pp.
- [17] Hassan, S., Mahsud, R., Yukl, G. and Prussia, G.E. 20113. : Ethical and empowering leadership and leader effectiveness, *Journal of Managerial Psychology*, 2013, 28 (2), 133-146 pp.
- [18] Heidrich, B.: *Alkalmazottak vezetése BGF*, 2011, Accessed: 23.11.2017., http://www.tankonyvtar.hu/hu/tartalom/tamop412A/0007_e6_alkalmazotti_vezetes_scorm/lewin_kiserlete_aD6dEhuZiAH3zK03.html

-
- [19] Howell, J. M. and Avolio, B. J. 1992.: The ethics of charismatic leadership: Submission or Liberation?, *Academy of Management Perspectives*, 1992, 6 (2), 43-54 pp.
- [20] Jankovský, J. 2003. : *Etika pro pomáhající profese*, Praha: Triton, 2003, 219 pp.
- [21] Karácsonyi, A. 2006.: *A leadership, a szervezeti kultúra és kapcsolatuk jellegzetességei a magyar szervezetek esetében: Ph.D értekezés*, Budapest: Budapesti Corvinus Egyetem, 2006, 184 pp.
- [22] Lasthuizen, K. 2008. : *Leading to Integrity, Empirical Research into the Effects of Leadership on Ethics and Integrity*, 2008, Accessed: 31.10.2017., <http://dare.uvu.vu.nl/bitstream/handle/1871/12872/8385.pdf>
- [23] Lazányi, K. 2009.: *Érzelem és vezetés - a vezetők érzelmei*, MUNKAÜGYI SZEMLE, 2009a, 53 (4), 16-24 pp.
- [24] Lazányi, K. 2009. : *The Role of Leaders' Emotions*. ABSTRACT - APPLIED STUDIES IN AGROBUSINESS AND COMMERCE, 2009b, 3 (3-4), 103-109 pp.
- [25] Lazányi, K. 2011.: *Organizational consequences of emotional labour in management*. ABSTRACT - APPLIED STUDIES IN AGROBUSINESS AND COMMERCE, 2011, (3-4) 125-130 pp.
- [26] Lazányi, K., Virglerová, Z., Dvorský, J., and Dapkus, R. 2017. : *An Analysis of Factors Related to "Taking Risks", according to Selected Socio-Demographic Factors*, *Acta Polytechnica Hungarica*, 2017, 14 (7), 35-50 pp.
- [27] Lewicki, R.J. Bunker, B.B. 1996 : *Developing and maintaining trust in work relationships*, in Kramer, R.M. and Tyler, T.R. (Eds), *Trust in Organisations: Frontiers of Theory and Research*, Sage, Thousand Oaks, CA, 1996, 114-39 pp.
- [28] Lewin, K. 2015: *Principles of Topological Psychology*. Format Paperback, Publisher Martino Fine Books, 2015, ISBN-139781614277903.
- [29] Lewis, P. V. 1985: *Defining 'business ethics': Like nailing jello to a wall*. *Journal of Business Ethics*, 1985, 4 (5), 377-383 pp.
- [30] Lussier, R. N. C. F. Achua 2004: *Leadership: Theory, Application, Skill Development*, South-Western Publishing, Eagan, MN, 2004.
- [31] Mayer, R. C. and Gavin, M. B. 2005: *Trust in Management and Performance: Who Minds the Shop while the Employees Watch the Boss?*, *Academy of Management Journal*, 2005, 48 (5), 874-888 pp.
- [32] Mura, L., Ključnikov, A., Tvaronavičienė, M., and Androniceanu, A. 2017: *Development Trends in Human Resource Management in Small and Medium Enterprises in the Visegrad Group*, *Acta Polytechnica Hungarica*, 2017, 14 (7).
- [33] Plato: *Állam*, in: *Platón összes művei*, Európa, 1984.
- [34] Poór, J. 2009: *International Human Resource Management under changes - Eastern European Perspectives*. In: *Striving for Competitive Advantage and Sustainability - New Challenges of Globalization : Proceedings of the 11th International Conference of SGBED*. - Bratislava, 2009, ISBN 9780979765957.
-

- [35] Schwartz, M. S. 2005 : Universal Moral Values for Corporate Codes of Ethics, *Journal of Business Ethics*, 2005, 59 (1-2), 27-44 pp.
- [36] Sedlák, M. 2009 : *Manažment*. 4th Edition, Bratislava: Iura Edition, 2009, 434 pp.
- [37] Šimo, D. - Mura, L. 2015. *Manažment organizácií*. Bratislava: Wolters Kluwer, 2015, 264 s. ISBN 978-80-8168-242-1
- [38] Spangenberg, H. and Theron, C. C. 2005 :Promoting ethical follower behavior through leadership of ethics: the development of the ethical leadership inventory (ELI), *South African Journal of Business Management*, 2005, 36 (2), 1-18 pp.
- [39] Szegedi, K. 2001 : *A magyar vállalatok etikai érzékenysége: Ph.D. értekezés*, Miskolc: Miskolci Egyetem, 2001, 211 pp.
- [40] Takala, T. 2017 : *Dark Leadership, Charisma and Trust*, 2010, Accessed: 29.10.2017., http://file.scirp.org/pdf/Psych.20100100009_40146739.pdf
- [41] Trong Tuan, L. 2012 : The linkages among leadership, trust, and business ethics, *Social Responsibility Journal*, 2012, 8(1), 133-148 pp.
- [42] Tureckiová, M. 2007 : *Klíč k účinnému vedení lidí*, Praha: Grada Publishing, 2007, 122 pp.
- [43] Varsányi, J. 2006 : *Vállalati menedzsment*, Széchenyi István Egyetem, 2006, Available: 01.11.2017., http://sozediva.atw.hu/alt_man2006_jegyzet.pdf
- [44] Vlacsekiová, D. and Mura, L. 2017 : Effect of motivational tools on employee satisfaction in small and medium enterprises, *Oeconomia Copernicana*, 2017, 8 (1), 111-130 pp.
- [45] Xu, A. J., Loi, R., and Ngo, H. Y. 2016 : Ethical leadership behavior and employee justice perceptions: The mediating role of trust in organization, *Journal of Business Ethics*, 2016, 134(3), 493-504 pp.
- [46] Zsolnai, L. 2015: *The Spiritual Dimension of Business Ethics and Sustainability Management*, Cham: Springer International Publishing, 2015, 218 pp.
- [47] Zsolnai, L. and Kindler, J. 1993: *Etika a gazdaságban*, Budapest: Keraban Kiadó, 1993