

communicate intensively and explain reasons of their decisions or acting. It is recommended that behaviour of a leader should copy the behaviour of an organisation outside, i.e. to public. It is especially important that leader's behaviour corresponds with exposed organisational values.⁴⁶

If behaviour of the leader does not confirm formal manifested organisational values or it is in opposition to them, employees' trust in proclaimed organisational values is broken. Especially, when ethics programme of an organisation is violated, it is a serious problem. With its definition we deal in the following subchapter.

1.10 Ethics programme of organisation

In business environment for a long time prevailed an attitude, that it is sufficient to have a code of ethics for the ethics development of ethics within the organisation. Practice, however, showed us, that this is not true. Even though codes of ethics belong to the most popular tools for implementing ethics in organisations, and the most spread according to the research, the existence of codes of ethics in organisations does not automatically guarantee the creation of ethical organisational culture. Code of ethics is a document, which has to have supportive measures for its functioning to become a regulator of employees' behaviour. At the same time, it has been stated, that it is necessary to have control mechanisms to find out, whether code of ethics is being respected. What if we find out, that code of ethics is not respected? What will happen in an organisation, if management will not react to the code of ethics violation? Who has competences and skills to manage the process of the code of ethics implementation? Ethical matter, similarly as any other matters within an organisation can develop only when they become a part of the management system. They must be planned, embedded in leadership and controlled. All of these findings lead to conclusion, that should the code of ethics code be functional, there have to be several accompanied ethical mechanism and actions, which create a unified system. This system is called *ethics programme of organisation*.

Our understanding of organisational ethics programme is based on A. Remišová's definition, according to which ethics programme of an organisation "represents

⁴⁶ Organisational values mirror priorities of people within company. They define, what the ideal worth to follow is, and point out, which acting is good and desired. They limit the behaviour of employees towards each other and to external stakeholders. In organisational culture there are hidden, implicit values and so called exposed values. Exposed values are those, which are being presented and manifested to public, for example through the website, information materials, leaflets, brochures, etc. They are a "shop window" of the organisation. Hidden organisational values are those, which are considered by employees as important and they follow them in their real acting. In ideal case, all exposed values are also internalized. Employees have adopted them and behave according to them. For further information on this topic see LAŠÁKOVÁ, A. 2008. *VÝSKUM ORGANIZAČNEJ KULTÚRY (NA PRÍKLADE UNIVERZITNEJ KNIŽNICE V BRATISLAVE)*. BRATISLAVA : UKB, 2008.

a complex system of logically connected ethical beliefs, values, rules, processes and types of communication, which organisation accepts for a long-term and continuous development of ethics in its organisational culture⁴⁷

Specific ethics programme consists of the following elements:⁴⁸

1. Set of ethical demands.
2. Ethical infrastructure.
3. Forms and means of communication.

The core of ethics programme is a complex of ethical demands – values, norms and principles representing ethical standard of organisation. To make ethical demands (usually expressed in code of ethics) functional, organisation has to create an interconnected system by institutionalisation of ethics forms. To make ethics real, it has to be in each sphere and action of an organisation. In our research we focused on examination of the second element of ethics programme, i.e. on task of individual elements of ethical infrastructure and their influence on conscience and knowledge of managers. A lot of ethics forms, that can possibly create ethics infrastructure, are described in professional literature. Prevailing majority of these mechanisms are known from business practice in the USA, where the application of business ethics to management system of the organisation started earlier than in European companies. There is a lot of mechanisms, of which help is needed to apply ethics into organisation. We accept the division of institutionalisation of ethic forms to five main categories, out of which each has concrete forms and mechanisms. We speak about the following categories:

- » written materials and documents,
- » subjects and bodies,
- » channels of information transfer,
- » education,
- » control.⁴⁹

Which concrete forms of institutionalization of business ethics will become a part of ethics programme of an organization depends on social conditions, in which organisation is active.

Adoption of ethics programme is a decision of strategy. Such decision is being applied predominantly by organisations, which accept the role of functional business ethics, commit to social responsibility of companies, have good owner governance and consider their position analogically to responsible citizen. It can happen in

⁴⁷ REMIŠOVÁ, A. 2015. *Súčasný trendy podnikateľskej etiky – od teórie k praxi*. Bratislava : Wolters Kluwer, 2015, p. 75.

⁴⁸ REMIŠOVÁ, A. 2015. *Súčasný trendy podnikateľskej etiky – od teórie k praxi*. Bratislava : Wolters Kluwer, 2015.

⁴⁹ REMIŠOVÁ, A. 2011. *Vademékum podnikateľskej etiky. Vademecum of Business Ethics*. Bratislava : Sprint dva, 2011

Section D was the one to close the questionnaire. After collecting sufficient number of answers we started to analyse them. All answers were transferred to .xls file and followingly coded (given ID) for analysis in Statistical Programming for Social Sciences (SPSS). The next subchapter briefly describes the methods used for research results analysis.

2.2 Methods of research results analysis

The obtained data were assessed with the use of several statistical methods. For the purposes of this monograph we used only basic results analysis, which illustrates the overall character of our sample and how respondents answered on questions that were posed. Hence we used mainly frequency analysis and descriptive data analysis. However, in other publications in scientific conference proceedings and journals, we have used complex statistical methods for the purposes of results analysis, by the means of which partial relations between variables were studied. In general, the following methods of results analysis were used in the research:

- » Frequency analysis – is used for examining and characterisation of frequencies' distribution.
- » Contingency tables or cross-tabulation – enables to find out the number of respondents in specific categories. The relationship between cross-tabulated variables is examined.
- » Pearson's Chi-square independency test – finds out the rate of independency between two nominal variables.
- » Correlation matrix – examines the rate of dependency among specific variables.
- » Partial correlation – is used for determining the rate of dependency of two variables with eliminated impact of the third variable.
- » Reliability analysis – is used for estimation of reliability and identification of those suspicious items, which could decrease the overall reliability of the scales.
- » Factor analysis – multivariate statistical method aimed at creating some new unobservable variables (factors) by the means of which original number of data is being reduced and still the meaning of what was originally measured is respected.
- » T-test – is used for comparing mean values (averages). We can compare the mean value of a sample with the mean value of population or compare two mean values of two samples. One sample T-test can be used in case, when we want to compare the mean values of a sample with a certain value, mostly with the average of population. Paired sample T-test is used for comparing pairs of values. It is used mostly when we want to compare the same population in two different periods of time or two populations distinctive only in one variable. Independent sample T-test is used when comparing averages of two samples. These samples do not have to be of a same size.

- » Analysis of variance (ANOVA) – is used for investigating whether there is any factor influencing the dependent variable. In contrary to T-test, it enables to compare more than two groups in one dimension.
- » Linear regression – is basically a broader version of ANOVA with more dimensions and it enables to work with variables as quantitative dimensions (i.e. whereas ANOVA distinguishes only among age groups, linear regression can work with age as quantitative variable).

2.3 Characteristics of research sample

Section D of the questionnaire, which related to demographic information about respondents, as well as to the information about their current employer, examined in sum 21 characteristics. The answers were evaluated by the frequency analysis. The final assessment entailed also respondents, who did not answer some of the question (these responses are included in the following charts under the column “answer missing”). For the purposes of this monograph, we arranged the results from section D to three parts, according to their semantic relatedness. First, we deal with individual characteristics of respondents (as managers). Second, we analyse organisations, in which respondents work, and third, we characterize ethics background of the organisations.

Individual characteristics of respondents. One of the examined characteristic was the level of management, where respondents work. From this point of view is the sample divided evenly – a little bit lower representation can be found in the group of lower level management (chart 2.3). Our research sample is represented by 25,8 % top managers, 36,2% middle managers and 285 lower level managers, who represent 35,2 % of the sample.

Chart 2.3 Level of management at which respondents work

| | Management level | Frequency | % | Valid % |
|----------------|------------------------|-----------|-------|---------|
| Valid | Top management | 209 | 25,8 | 26,6 |
| | Middle management | 293 | 36,2 | 37,2 |
| | Lower level management | 285 | 35,2 | 36,2 |
| | Total | 787 | 97,2 | 100,0 |
| Answer missing | | 23 | 2,8 | |
| Total | | 810 | 100,0 | |

Respondents evaluated on seven point grading scale, to what extent the statements described their actual leader. Number 1 meant “I strongly disagree” and number 7 meant “I strongly agree”. The resulting level of ethical leadership was then calculated as the average value of all respondents’ answers on the given grading scale in all ten factors.

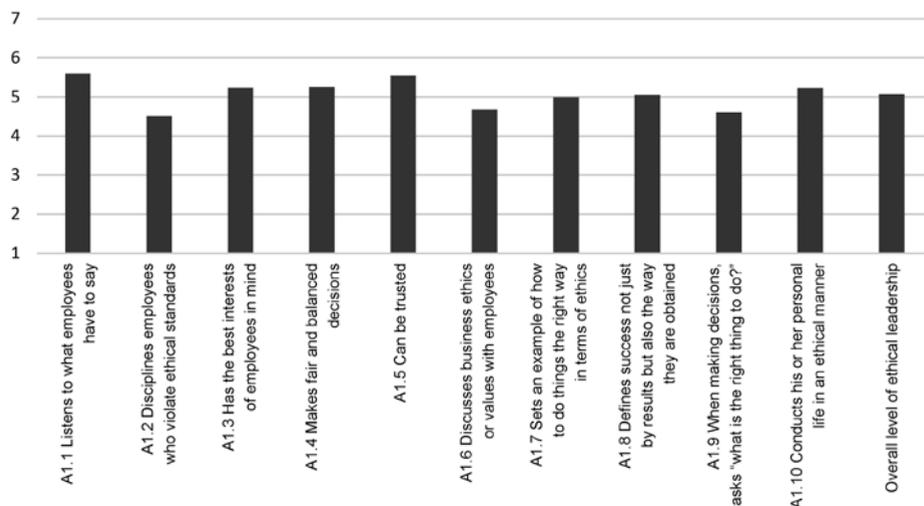
3.1.2 Ethical leadership in Slovakia – results analysis

In our research took part 810 managers. The average values of the answers are given in chart 3.1 and graphically pictured in picture 3.1. The level of ethical leadership in Slovakia reaches 5,07. According to the results we assume, that ethical leadership in Slovak business environment is realized on average or slightly above the average level. For comparison, in the first studies of ethical leadership done by M. E. Brown et al.²⁶ in American business environment, the level of ethical leadership was between 3,37 and 3,88.

Chart 3.1 Ethical leadership in Slovakia – average value of respondents’ answers

| | | | | | | |
|--------------------------------------|--|--|--|--|--|--|
| Factors of ELS | Listens to what employees have to say | Disciplines employees who violate ethical standards | Has the best interests of employees in mind | Makes fair and balanced decisions | Can be trusted | Overall level of ethical leadership |
| Average | 5,60 | 4,51 | 5,24 | 5,26 | 5,55 | |
| Factors of ethical leadership | Discusses business ethics or values with employees | Sets an example of how to do things the right way in terms of ethics | Defines success not just by results but also the way they are obtained | When making decisions, asks “what is the right thing to do?” | Conducts his or her personal life in an ethical manner | |
| Average | 4,68 | 4,99 | 5,05 | 4,61 | 5,23 | 5,07 |

²⁶ BROWN, M. E. – TREVINO, L. K. – HARRISON, D. A. 2005. Ethical leadership: A social learning perspective for construct development and testing. In *Organizational Behavior and Human Decision Processes*. 2005, no. 97, p. 117-134.



Pict. 3.1 Ethical leadership in Slovakia – average value of respondents' answers

The average value of all answers is above 4, which can be interpreted as the respondents' tendency to rather agree with given statements²⁷. This means that respondents evaluate their leaders in a rather positive way. Six of ten statements reached higher value than 5, the rest of the statements was between values 4,5 and 5,0.

The first statement reached the highest average value (5,60). Higher score was also reached at leader's trustworthiness evaluation (5,55; statement 5). Respondents agreed with the statement "Makes fair and balanced decisions about the leader's decision" (5,26; statement 4), "Has the best interests of employees in mind" (5,24; statement 3), "Conducts his or her personal life in an ethical manner" (5,23; statement 10) and "Defines success not just by results but also the way they are obtained" (5,05; statement 8).

As it has been already mentioned, the other four statements reached the average value below 5, but this result still can be considered as an agreement of respondents. Statement 7, which says that manager "Sets an example of how to do things the right way in terms of ethics", reached the average value of 4,99. Lower level of agreement was at the statement 6 (Manager "discusses business ethics or values with employees" – 4,68) and at the statement 9 (When making decisions, manager asks "what is the right thing to do?" – 4,61). The lowest rating was at the statement 2, "Disciplines

²⁷ Value 4 was in the questionnaire defined as "I cannot clearly state", and therefore it divided the scale on disagreement (value of the answer below 4 – the lower the value is the stronger the disagreement is) or agreement (value of the answer above 4 – the higher the value is the stronger the agreement is).

Chart 3.2 List of factors influencing ethical leadership development according to the importance given by respondents

| Order | Factor | Average value of answers | % |
|-------|--|--------------------------|---------|
| 1. | Ethical behaviour of top management | 6,379 | 93,97 % |
| 2. | Management clearly declares the necessity to respect valid laws | 6,185 | 92,49 % |
| 3. | The organisation calls for adherence to the human rights | 5,956 | 86,82 % |
| 4. | Opportunity to openly discuss ethical issues on all levels of management about any problems within an organisation | 5,916 | 87,19 % |
| 5. | Moral acknowledgement to those, who implement organisational values in practice | 5,845 | 85,71 % |
| 6. | Transparent fight of organisation against corruption | 5,799 | 82,14 % |
| 7. | Those, who violate the code of ethics in an organisation are penalized | 5,715 | 83,62 % |
| 8. | Transparent fight of organisation against discrimination | 5,657 | 79,19 % |
| 9. | Good reputation of organisation in public | 5,582 | 81,65 % |
| 10. | Transparency and objectiveness in managerial career development | 5,572 | 81,16 % |
| 11. | Fair compensation for managers | 5,411 | 75,49 % |
| 12. | Organisation has a code of ethics | 5,364 | 78,57 % |
| 13. | Long-term economic prosperity of an organisation | 5,056 | 67,49 % |

Therefore, we need to focus on the fact – as addressed managers proved –, that behaviour of an individual is determined by the behaviour of the significant others (in his or her environment). This variable is included in the factor of ethical behaviour of an organisation, which was evaluated as **the most important** in relationship to decision for ethical leadership by majority of respondents (93,97 %). In childhood, parent is the most important person for a child (primary environment), later the influence of the secondary environment emerges, too, with its personalities, idols, etc. In adulthood, the environment, where one spends most of his or her time is the one to determine values, attitudes, ways of thinking and behaviour. In workplace or organisation, of which one is a part, one finds examples of behaviour, which

ship in opposition to other forms of “bad” leadership. According to their opinion, destructive leadership cannot be understood in terms of no leadership, i.e. when the leader does not lead and thus does not influence others. In their opinion, the absence of leadership (e.g. focusing on oneself, disinterest, etc.) is not destructive. Even inefficient leadership, which is of harmful character, cannot be considered as destructive. Low work performance or occasional unintentional harming others, where the leader does not influence other intentionally and does not have an interest in harming others, is according to D. V. Krasikova, S. G. Green and J. M. LeBreton not a part of destructive leadership.

Toxic leadership

The concept of toxic leadership has become more and more popular within the group of authors dealing with unethical leadership. In the current academic literature, this term is extremely popular. K. L. Pelletier⁵⁰ defines toxic leader as a person, who systematically and repeatedly harms others. There are several concepts, which can be covered by toxic leadership, e.g. dysfunctional leadership, bad leadership and tyrannical leadership. At the same time, the author states, that toxicity of a leader can be variously depending on behaviour or needs of the followers. People, who are on good terms with the leader, gain advantages from him or her, consider his or her behaviour as less toxic comparing to subordinates, who are not on good terms with the leader.

In accordance with A. Goldman⁵¹ and J. Lipman-Blumen⁵² we suppose, that a crucial characteristic of toxic leadership is, that unethical behaviour is being spread throughout the organisation. As authors R. F. Baumeister, E. Bratslavsky, C. Finkenauer and K. D. Vohs⁵³ introduce in their article, “evil” is stronger than “good”, and this is applicable in the wider frame of psychological phenomena. According to our opinion, regardless of psychological reasons why people imitate harmful behaviour of leaders, the core of toxic leadership resides in the fact that harmful behavioural patterns of leaders spread within company both horizontally and vertically, i.e. according to an old saying “people will become as you treat them”. The concept of toxic leadership emphasizes the idea that this kind of behaviour

⁵⁰ PELLETIER, K. L. 2010. Leader toxicity: An empirical investigation of toxic behavior and rhetoric. In *Leadership*. 2010, 6(4), p. 373-389; PELLETIER, K. L. 2012. Perceptions of and reactions to leader toxicity: Do leader–follower relationships and identification with victim matter? In *The Leadership Quarterly*. 2012, 23, p. 412-424.

⁵¹ GOLDMAN, A. 2011. Demagogue to dialogue: An alternative to toxic leadership in corporate downsizings. In *Organizational Dynamics*. 2011, no. 40, p. 235-241.

⁵² LIPMAN-BLUMEN, J. 2005. Toxic leadership: When grand illusions masquerade as noble visions. In *Leader to Leader*. 2005, no. 36, p. 29-36.

⁵³ BAUMEISTER, R. F. – BRATSLAVSKY, E. – FINKENAUER, C. – VOHS, K. D. 2001. Bad is stronger than good. In *Review of General Psychology*. 2001, 5(4), p. 323-370.

spreads as a virus within an organisation. Its harmfulness lies in direct attack of healthy parts of an organisation.

Dysfunctional leadership

Even though it appears to be one of the oldest terms in this context (see G. B. Graen, F. Dansereau, T. Minami⁵⁴), the current academic discussion does not pay much attention to it. Authors using this term (e.g. M. Dandira;⁵⁵ M. Walton⁵⁶), did not come to sufficient specification of characteristic aspects, on the grounds of which it would be possible to distinguish this style from other types of leadership. They agree that dysfunctional leadership is linked with negative personal attributes of a leader as well as with behaviour, which is in opposition to efficient and righteous behaviour of a leader. A crucial criterion for identifying dysfunctional leadership style is the existence of the consequences tied to qualities and behaviour of a leader. Authors define it mainly on the basis of negative actions in relationship to individuals, but also to organisation.

Dark leadership

Dark leadership is one of the most up-to-date terms in the current discussion on leadership. Authors want to popularize the topic of unethical leadership. They suggest using this substitutive term, which evokes something mysterious, strange, forbidden, and deviating. However, definitions of the new term do not bring anything new to the existing discussion. Typical example is an effort of authors A. Marshall, D. Baden and M. Guidi⁵⁷ to define dark leadership as “a gallery of different psychological diseases” of leaders.⁵⁸ In this definition, they proceed from the Dark Triad model (D. L. Paulhus and K. M. Williams⁵⁹). Dark leadership is then defined as egocentric, exploitive and short-term social strategy that results from the leader’s psychopathic, narcissistic and machiavellistic tendencies, which step beyond borders of normal and can be understood as a developed personality disorder.

⁵⁴ GRAEN, G. B. – DANSEREAU, F. – MINAMI, T. 1972. Dysfunctional leadership styles. In *Organizational Behavior and Human Performance*. 1972, no. 7, p. 216-236.

⁵⁵ DANDIRA, M. 2012. Dysfunctional leadership: organizational cancer. In *Business Strategy Series*. 2012, vol. 13, no. 4, p. 187-192.

⁵⁶ WALTON, M. 2011. Leadership behavior-in-context: An antidote to leadership hype. In *Industrial and Commercial Training*. 2011, vol. 43, no. 7, p. 415-421.

⁵⁷ MARSHALL, A. – BADEN, D. – GUIDI, M. 2013. Can an ethical revival of prudence within prudential regulation tackle corporate psychopathy? In *Journal of Business Ethics*. 2013, vol. 117, no. 3, p. 559-568.

⁵⁸ MARSHALL – BADEN – GUIDI, ref. 58, p. 560.

⁵⁹ PAULHUS, D. L. – WILLIAMS, K. M. 2002. The dark triad of personality: narcissism, Machiavellianism, and psychopathy. In *Journal of Research in Personality*. 2002, no. 36, p. 556-563.

- » Minimum one third of respondents consider all of the factors suitable for ethical development of managers.
- » In our business conditions, all forms of business ethics institutionalisation that might be a part of an organisational ethics programme are known. They belong to the ethics programme of an organisation, but to different extents. The least known ethics programme elements are bodies responsible for ethics development, ethics audit (inquiry), and ethics consulting.

3.5.5 Recommendations resulting from research results of the most suitable ethics programme elements for fostering managerial ethical thinking

I. For universities

- » For managerial university education we recommend to establish a specialisation “business ethics manager”. In this specialisation managers would gain knowledge needed for systematic development of business ethics in an organisation.
- » As quick as possible to prepare business ethics courses and trainings and to include them into study programmes as obligatory subjects for each student of Faculty of Management, Business or Economy, so that future managers will be informed about the possibility of business ethics application to the leadership system of an organisation.

II. For research

- » To examine a wider range of factors that might influence ethical development of managers.

III. For practice

- » Organisations should start to bring ethical programme into practice, because as research clearly showed, elements of ethical programme are factors positively influencing not only ethical development of managers, but they also help managers to broaden their knowledge in ethics and employ it in their further managerial decision-making.

IV. For state administration

- » On the level of the Ministry of Education, Science, Research and Sport of the Slovak Republic, leading bodies in the area of university education should call for implementation of compulsory courses on business ethics or managerial ethics into the curriculum of economic and managerial faculties.