Chapter 49

Ethical Leadership Styles of Future Managers in Central and Eastern European Countries

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ABSTRACT

There is a limited understanding of what the constituent elements of the ethical leadership are. Although various researchers defined ethical leadership as a specific leadership style, with typical personality traits and behaviors, the precise instantiation of the content of ethical leadership was only seldom investigated. The body of empirical research on ethical leadership is only slowly beginning to build up. Furthermore, the ethical leadership in Central and Eastern European countries (CEE countries) is permanently an under-researched issue. This article focuses on the interdisciplinary perspective in regard to the empirical research of ethical traits and behaviors of leaders and the level of preference of respective leadership attributes. First, selected influential theoretical considerations of the issue of ethical leadership are being discussed. In the application part of this article, particular ethical leadership personality traits and behaviors are being identified through the qualitative-quantitative research lens. Next, four ethical leadership styles within the cluster of five CEE countries, namely Czech Republic, Poland, Romania, Slovakia, and Slovenia are specified. Cross-country variations are a matter of concern, too. In the Slovak – CEE countries comparison significant differences concerning the level of preference of ethical leadership styles are indicated. Impact of various demographic predictors on the level of preference of ethical leadership is researched, too.

INTRODUCTION

Ethics gives diverse answers on what is ethical and what are the criteria of the “good behavior.” Therefore it is not easy to strictly define an ethical leadership either. However, the quality of our lives, at both the individual and organizational level, depends on the quality of moral norms and principles held by our leaders, and their keeping or breaking.

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We assume that ethical leadership is crucial for the overall well-being of the individual as well as the organization and hence the whole society at a national as well as global level. As some authors noted, ethical leadership is important for successful implementation of corporate social responsibility (CSR) principles (Carroll, 1991, 1999; Buysee & Verbeke, 2003; Crane & Matten, 2004; Campbell, 2007) as well as for the overall ethical conduct of employees because of the impact of leaders, and especially of senior executives (Trevino, Brown, & Hartman, 2003), which they have on the behavior of their employees. To be able to fully implement CSR principles into daily operations in organizations, the behavior of management level has to be perceived by their followers as moral. Otherwise, the implementation process of CSR stops at the level of strategies and processes, not affecting the day-to-day behavior and values of employees. Furthermore, as earlier Schein indicated (Schein, 2009, 2010), the power of organizational culture is so pervasive, that if the leaders behave immorally, their subordinates will tend to follow their behavior, too.

Despite of the importance of ethical leadership for the long-term business success and effectiveness (for e.g., Caldwell et al., 2002; Bellingham, 2003; Búčiová, 2010), the body of knowledge related to the ethical leadership concept is rather limited (Brown & Trevino, 2006). A whole new area is open to scientific examination in regard to key issues like: How to define an ethical leader? Is the concept of ethical leadership culturally endorsed? And if yes, what are the similarities and differences across cultures in the concept of ethical leadership? Furthermore, what are the links between ethical and effective leadership behavior? To have a starting point in regard to these complex questions, first influential concepts within the ethical leadership framework have to be investigated (some theoretical considerations regarding the ethical leadership have been investigated already in Remišová & Lašáková, 2011).

**ETHICAL LEADERSHIP DIMENSIONS**

As already outlined, the ethical leadership is still a relatively new concept in management studies. Although in the western leadership theory it was research by some scientists (Fulmer, 2004; Brown et al., 2005; Knights & O’Leary, 2006), gaining knowledge about this particular leadership style in CEE countries is still underdeveloped. In one of the most influential work in regard to ethical leadership, Trevino et al state that in their qualitative research on the perception of ethical leadership they found that (Trevino et al., 2003):

1. Personal moral behavior is linked to ethical leadership;
2. Ethics is a top-down phenomenon in large organizations; and
3. Ethical people are in the praxis not always perceived as ethical leaders, because of the pressure to succeed, to make profit, and to compete successfully with business competitors.

In their conception Trevino et al assume that ethical leadership is a construct of five basic dimensions of leader’s behavior and personal traits: people-oriented behavior, visible ethical actions and traits, standard setting and accountability, broad ethical awareness and decision-making processes (Trevino et al., 2003). People-oriented behavior and actions of leaders are reflected in caring about people/employees, respect for people, developing and mentoring people. Visible ethical actions and traits comprise behaviors like walking the line, leading by example and role-modeling, honesty, trustworthiness, integrity, showing courage, being able to listen, persuade, communicate, influence and inspire others. Standard setting and accountability means that leader is able to set expectations and rules, provides guidance, uses rewards and punishments, does not tolerate ethical lapses, holds to certain principles and