

# **CONSTRUCTION MANAGER**

## **Selected Topics II**

Eva Jankovichová and Martin Hanko

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## INTRODUCTION

The function of a manager is one of the important factors of business management. It depends on the people who manage, but also on those who manage. Therefore, the management of the work and its execution should be in constant harmony. The way of work, production and trade is constantly changing. It used to matter that a person worked hard and made the most of his working time. It did not disappear with time and the effective use of working time is still important today. However, with the development of technology, the importance of specialization, cooperation, expertise and quality has increased.

The human factor is no longer only a person, but also his education and his qualifications, his expertise, his self-confidence and independence, his outlook on life as well as his way of thinking and acting. The demands on managers are constantly growing. The requirements for managers were different in the past, when discipline and hard work were enough for them. In today's period, the requirements are differentiated according to the level of their inclusion and the nature of the activity. In addition to high expertise, requirements are also placed on the methods and style of managerial work.

Continuous improvement of expertise through various training courses and seminars is essential for performing the function of a manager. In addition to completing various professional courses, it is necessary to use various internships in companies, participation in training programs, or other forms of education, including self-education.

The formation of values that are important for the **activities of managers** is one example of **ethical and social responsibility** that managers must keep in mind when they plan, organize, manage and control.

The requirements that are placed on the personality of managers and, above all, people from the top management of companies, top managers, change considering the changing business environment. Nowadays, it is no longer enough for managers to be experienced and have basic skills and professional abilities. Much more emphasis is placed on abilities and skills that are related to

a person's personality and character. Building and maintaining relationships, the ability to appreciate others, be empathetic, creative, have charisma, know how to think critically but also accept constructive criticism are great assets. The group of these skills is referred to as soft skills.

Through the BUILD UP Skills initiative, the EU aims to equip the next generation of workers in the construction sector – from manual workers to design professionals and senior management – with the skills and knowledge needed to ensure that building and renovation projects meet stringent energy efficiency requirements.

As professionals, we use our understanding, knowledge, data and skills for the benefit of society to create engineering solutions for the betterment of common civilians. While practicing, we endeavor to serve the community in advance of other personal or sectional interests.

The construction sector offers a large untapped potential for cost-effective energy savings. One of the important obstacles to this development and effective renovations is the lack of adequate construction skills. Improving the skills of construction professionals at all levels, as well as various sustainable energy professionals, is essential. Therefore, efficient construction is key.<sup>1</sup>

When people work in an inspiring environment that supports their internal motivation, they achieve better work results, are more creative, more responsible, more loyal, and their performance increases. Intrinsically motivated people do better work, have higher productivity, are responsible, solve problems better and are more loyal to the organization and their leader.

Information and communication technologies (ICT) are at the epicenter of the 4th industrial revolution, the prerequisite for using its effects is an educated workforce, including in the field of construction. This will achieve effective management of construction companies and will be able to initiate and enforce changes.

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<sup>1</sup> Available at:  
<https://wayback.archive-it.org/12090/20210412124950/https://ec.europa.eu/easme/en/section/horizon-2020-energy-efficiency/build-skills>

This study material/publication is primarily intended for students of Faculties of Construction, professional construction schools, but also for all experts in the field of construction from the ranks of management, the business public and business practice who are interested in the given issue.

The primary goal of the authors of the publication ***Construction Manager, Selected Topics II***, is to focus on the quality of the content and process of education, the development of basic, communication but also social skills, and on the practical applicability of knowledge in everyday work activities.

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## 1 CONSTRUCTION MANAGER

**Manager** is a professional management person who coordinates human, financial, physical and information resources, performs functions (planning, organizing, leading, controlling), makes decisions and supervises at least one or more people.

The mission of managers is to achieve profit and profit through effective management.

The other side of this profession is the moral side. Its expression is a good professional ethos, i.e. j. adopting a positive attitude towards duties and tasks in the profession and the resulting responsibility. From the point of view of managerial ethics, a manager can be characterized as a person who is expected to have moral integrity of his personality, social maturity and the ability to bear responsibility for his actions, in the professional, legal and moral fields.

Being a leader is an art that consists in the ability to stimulate and motivate workers to creative work, while mutual trust, respect, respect and responsibility play a mutual role here. Responsibility reflects the manager's moral obligation to consider the consequences of his actions regarding all interested parties affected by his actions.<sup>2</sup>

**Construction management** is a professional service that provides a project's owner(s) with effective management of the project's schedule, cost, quality, safety, scope, and function. Construction management is compatible with all project delivery methods. No matter the setting, a Construction Manager's (CMs) responsibility is to the owner and to a successful project.

At its core, a capital project is made up of three parties (excluding the CM):

- The owner, who commissions the project and either funds the project directly or finances it through a variety of methods.
- The architect/engineer, who designs the project.
- The general contractor, who oversees day-to-day operations and manages subcontractors.

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<sup>2</sup> MARCELKA, M., 2019. *Personal Responsibility of the Manager*. [online] published February 2019, [cited September, 2024]. Available at: [Osobná zodpovednosť manažéra - EuroEkonom.sk](https://www.euroekonom.sk/osobna-zodpovednost-manazera)

The CM represents the owner's interest and provides oversight over the entire project directly for the owner. His/her mandate is to work with all parties to deliver the project on time, at or under budget, and to the owner's expected standard of quality, scope, and function.

CMs are uniquely qualified through combined education and experience to work with the owner, architect, general contractor, and other stakeholders to determine the best possible sequence of construction operations and develop a detailed schedule and budget, while also establishing plans for project safety and security and helping the owner manage risk. This requires using project management information systems (PMISs) and complex planning techniques, like critical path method, as well as knowledge of construction methods.

Professional CMs use industry-standard practices to manage projects successfully. The CM Body of Knowledge and Standards of Practice address all six areas of construction management services: schedule, cost, safety, quality, function, and scope.<sup>3</sup>

**Engineers** are vital to shaping our world. Their decisions have far-reaching consequences—typically related to risk management. As such, it's essential for engineers to hold themselves to a high standard.<sup>4</sup>

Engineers should not be tempted by anything, and they should not do anything by prejudice. Engineers shall not endeavor to harm, unkindly or falsely, directly or indirectly, the professional status, prospects, practice, employment of other engineers. Engineers originate the future, and their work affects the lives of millions of people, for better or worse. While doing so that creates enormous ethical issues in every branch of engineering.

**Engineering** is the process of developing an efficient mechanism which quickens and eases the work using limited resources, with the help of technology.

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<sup>3</sup> Available at: <https://www.cmaanet.org/about-us/what-construction-management>

<sup>4</sup> HAN, E., 2023. *Why are Ethics Important in Engineering?* Harvard Business School, online. Available at: <https://online.hbs.edu/blog/post/ethics-in-engineering>

Engineering is a significant and scholarly profession. It is expected that Engineers have to demonstrate the highest standards of honesty and integrity. The ideas and projects of engineers have a direct and vital impact on the quality of life for all people. Engineers shall evade all conduct or practice that deceives the public. Engineers shall not unveil anything, without approval, top secret information relating to the business affairs or technical processes of any current or previous client or employer, or public on which they serve.

### **1.1 RESPONSIBILITY OF ENGINEERS**

The engineers recognize that the greatest merit is the work and exercise of their profession committed to serving society, attending to the welfare and progress of the majority. By transforming nature for the benefit of mankind, engineers must increase their awareness of the world as the abode of humanity, their interest in the universe as a guarantee of overcoming their spirit, and knowledge of reality to make the world fairer and happier. The engineer should reject any paper that is intended to harm the general interest, thus avoiding a situation that might be hazardous or threatening to the environment, life, health, or other rights of human beings. It is an inescapable duty of the engineer to uphold the prestige of the profession, to ensure its proper discharge, and to maintain a professional demeanor rooted in ability, honesty, fortitude, temperance, magnanimity, modesty, honesty, and justice, with the consciousness of individual well-being subordinate to the social good.

Engineers and their employers must ensure the continuous improvement of their knowledge, particularly of their profession, disseminate their knowledge, share their experience, provide opportunities for education and training of workers, provide recognition, moral and material support to the schools where they studied, thus returning the benefits and opportunities they and their employers have received. It is the responsibility of the engineers to carry out their work efficiently and to support the law. They must ensure compliance with the standards of worker protection as provided by the law. As professionals, engineers are expected to commit themselves to high standards of conduct.

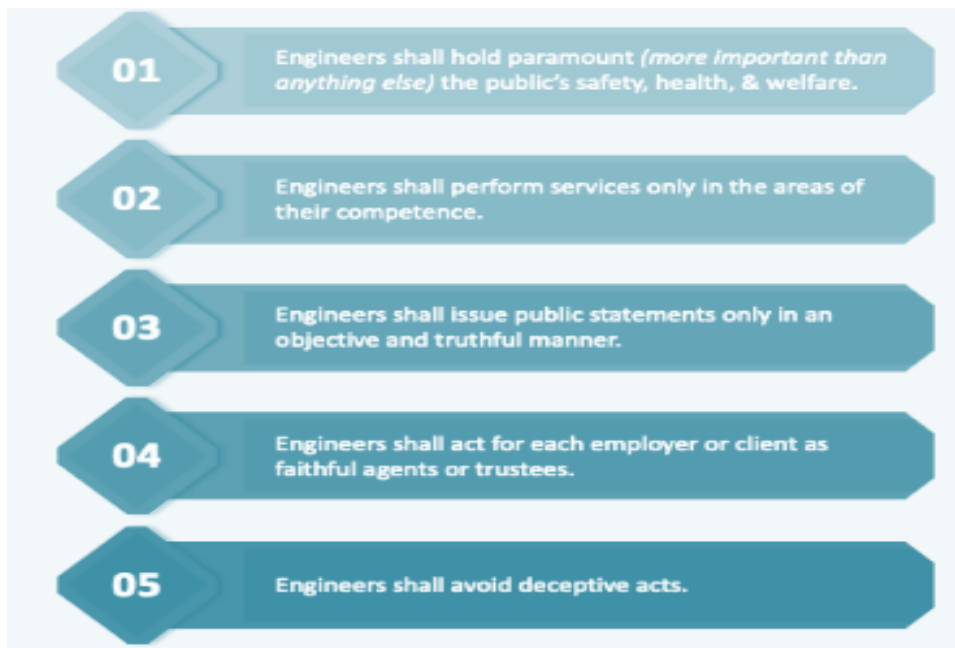


Figure 1: Engineering Ethics<sup>5</sup>

## 1.2 MANAGER AS PERSONALITY

One of the important prerequisites for quality company management is precisely the very personality of the manager. A manager who has strongly developed personality traits, it is significantly applied in the performance of management work, it has better prerequisites for good fulfill the tasks of their job function. Success in managing the organization is significantly conditioned by the people who work in it. It is about the relationship between quality work managers and their success in business management. The achievements of managers are significantly conditioned by their personality. The manager has a wide range of activities plans, leads, directs, decides, coordinates and controls. To perform these activities a good manager should have certain qualities in addition to the professional skills necessary to perform the function of a senior employee.

**Personality** is a self-regulating system individually and uniquely combined psychological characteristics that are formed individually and uniquely in unity hereditary and acquired and which operate in a system of external (especially social) relationships in a specific individual.<sup>6</sup>

<sup>5</sup> FIEDDERMANN, C.B., 2011. *Engineering Ethics*. Prentice Hall, 4th edition. ISBN 978-0132145213, 192 pp.

<sup>6</sup> KOŠČ, M., 2009. *Basics of Psychology*. Bratislava : POLYGRAF, 2009. pp. 117 ISBN 978-80-10-01677-8. p. 34.

Under personality we can therefore understand a group born or during life acquired biological, social and cultural factors. Although innate characteristics play an important role, more important for the successful work of a manager could further develop these qualities. Personality represents what it determines behavior of a person in different situations. Currently it is possible to talk about basic features that characterize an individual.<sup>7</sup>

Personality represents what determines a person's behavior in various situations. Currently, it is possible to talk about the basic features that characterize an individual:

- abilities, skills, knowledge,
- characteristics (dominance, assertiveness, lability, extroversion, persistence, responsibility, self-control, etc.),
- needs, motives, attitudes, values.

Part of the quality of a manager's personality is that:

- ▶ was aware of his behavior, took responsibility for it and had it under him control,
- ▶ was able to decide what he wanted to gain in each situation,
- ▶ at the same time he was able to perceive and understand others, their attitudes, feelings and needs, but did not succumb to their pressure,
- ▶ was able to promote the goals and interests of the company and the offered product,
- ▶ looked for and found mutually acceptable solutions,
- ▶ he managed not to back down on essential matters and acted flexibly where necessary appropriate.

Any company should consider the diversity of values and abilities of its employees when managing its activities. Respecting these facts ensures the active participation of workers in achieving goals.

### **1.3 TYPOLOGY OF PERSONALITY**

When characterizing a personality, we need many expressions. The diversity of these characteristics in contemporary psychology is great, as some authors refer

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<sup>7</sup> BĚLOHLÁVEK, F., 2016. *Organizational Behavior*. Olomouc : RUBICO, 2016. 339 pp. ISBN 80-85839-09-1. p. 58.

to personality as qualities, abilities, and traits. Others refer to it as types that allow the individuality of individuals to become transparent.

The five-factor model that has been proven by the research scientist in psychology to be the most accurate way to test your personality.

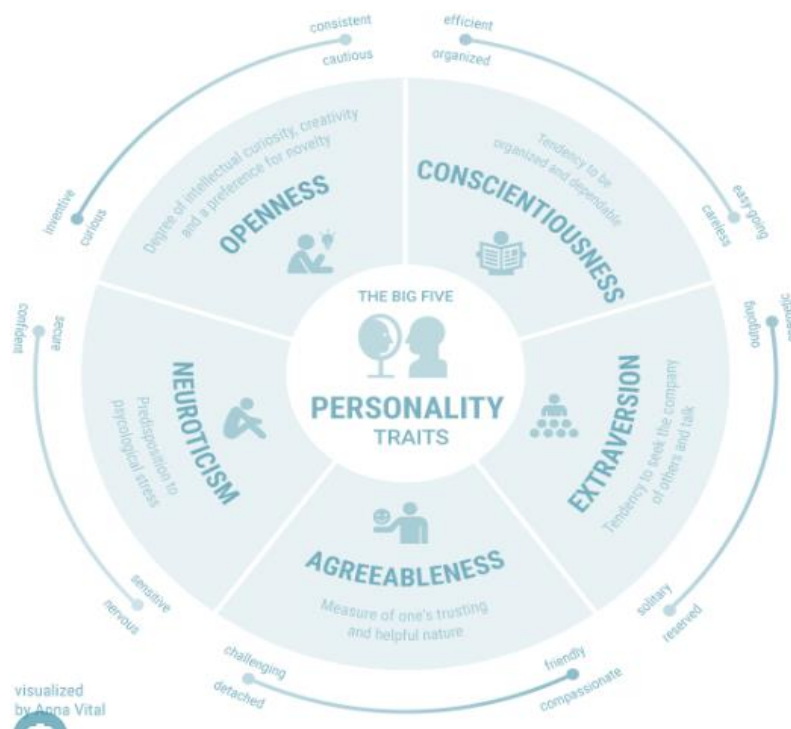


Figure 2: Uncover Yourself with The Big Five Personality Trait<sup>8</sup>

### 1.3.1 Personality Types According to Hippocrates and Galen

The concept of personality began to be discussed already in ancient Greece, specifically by the doctors Hippocrates and Galena, who elaborated the personality into four types according to temperament:

- sanguine (inconstancy, liveliness, cheerfulness, optimism, mobility, sociability...),
- choleric (explosiveness, intense emotionality, inadaptability, intolerance...),
- melancholic (reclusiveness, timidity, depression, hypersensitivity...),
- phlegmatic (calm nature, slowed down emotional reactions, distrustful, reliable...).

<sup>8</sup> LALU, E. M. Y., 2020. *Uncover Yourself with The Big Five Personality Trait*. Available at: <https://nunenuh.medium.com/uncover-yourself-with-the-big-five-personality-trait-6b2fc438138d>

### **1.3.2 Personality Types According to Carl Gustav Jung**

Carl Gustav Jung's personality typology was elaborated into the so-called personality matrices. Jung is focused on the psychological preferences of personality - introvert and extrovert and leans towards feeling and thinking. Based on this understanding, he divides personalities into four types:

- ▶ practical type (combination of perception and thinking),
- ▶ conceptual type (combination of thinking and intuition),
- ▶ social type (combination of feeling and perception),
- ▶ creative type (combination of intuition and feeling).

### **1.3.3 Eysenck's Two-Dimensional Personality Traits Scheme**

Another personality typology was elaborated by Eysenck, who adopted the concepts of extroversion and introversion from Jung. Eysenck understands these two concepts as opposites and, together with lability and stability, processed them into a scheme. Divisions of personality types therefore mean beneficial help in characterizing or classifying personality.

The most suitable type of person to assume the position of manager is a sanguine, characterized by extroversion and stability. And its characteristic features are social demeanor, communicativeness, mobility and the like.

The typologies mentioned, their distribution and characteristics differ from each other, but at the same time they also have certain common features. Since ancient times, people have been classified into different types according to the characteristics that prevailed among them. Although typologies simplify the view of personality, it is rarely possible to classify people into specific types. This chart of personality traits shows two basic personality types. The first type is assigned to lability, which represents neuroticism and indicates negative responding. The second type is associated with stability, which is the opposite.

## 1.4 POWER, INFLUENCE AND AUTHORITY OF THE MANAGER

The manager is an important person in every management process, and his work is both his occupation and his profession. To be able to perform his work successfully, he must have power, influence and authority.

A manager who has a certain power can use it to influence lower-ranking employees as well as those around him. Power is a tool used to force workers to perform desired activities. The manager acquires it in several ways, for example from personality, from expertise, from resources or from position. Influence is the way a manager uses his power. Authority represents the manager's right to exercise power over the actions of others.

It can be:

- formal (manager function),
- informal (personality of the manager).<sup>9</sup>

**Charisma** – the ability to win over and lead people based on the influence of your personality (personality charm).

**Authority** and the personal prestige associated with it are not individual characteristics of a person, but a social attribute and an organizational relationship. Therefore, authority requires not only its bearer, but also a group of his subordinates and collaborators.

Three main types of authority:

- line authority – is the basic authority in the enterprise, which reflects existing higher sub-coordinating relationships. It is the right thing to make decisions and give orders about production, sales or financial relations to subordinates or executives,
- staff authority is the right to advise or help those individuals who are holders of line authority.
- functional authority or service authority is the right to give orders in segments of corporate management in which this right does not normally exist.<sup>10</sup>

## 1.5 CHARACTERISTICS OF MANAGERS

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<sup>9</sup> HANGONI, T. – IMRICHOVÁ, A., 2010. *Management and Its Application in Social Work*. Gorlice : ELPIS, 2010. 136 pp. ISBN 978-83-928613-4-8. p. 31.

<sup>10</sup> ŘEZÁČ, J., 2009. *Modern Management. Manager for the 21st Century*. Bratislava: Computer Press. ISBN 978-80-251 195-9-4. 408 pp.



Expertise is one of the basic prerequisites for the competent behavior of a manager. Research has confirmed that success in management is 20% the work of **expertise**, the remaining 80% is what is called the art of management. Expertise is certainly an important prerequisite for the performance of a management function, but it is not a guarantee of successful management.

### **1.5.1 Characteristics of a Good Manager**

- *independence* – the ability to make decisions based on one's own considerations about choosing the optimal procedure,
- *initiative* – the ability to resourcefully and creatively determine goals, as well as search for appropriate means to achieve them,
- *prudence* – the ability to make management decisions only after a thorough evaluation of important circumstances and the consequences of actions,
- *purposefulness* – the ability to organize the internal conditions of the activity, coordinate the sequence of sub-operations and control the achieved results,
- *responsibility* – points to the true qualities of a manager, because a manager who does not know how to take risks is not a good one,
- *principledness* – the ability to overcome difficulties, control the course of activity, refine plans until the given goal is achieved,
- *optimism* – orientation towards positive things and goals with faith in success,
- *creativity* – the ability to create new thoughts, ideas,
- *emotional and emotional balance* – the ability not to succumb to lower feelings, negative emotions such as anger, envy, rage, jealousy, etc.

It is not possible to create an exact scheme of qualities that a manager should possess. However, the necessary ones certainly include *intelligence, social intelligence, creativity and self-confidence*.

The positive characteristics mentioned are not yet a guarantee of a successful manager, or prerequisite for handling challenging tasks. A manager should not lack tact, openness, courage, as well as adaptability, penetration, seriousness and a sense of humor. A manager is a manager not because he has the mentioned qualities, but mainly because he can apply them effectively in various

conditions. All the abilities and talents of man would remain unknown if they did not show outwardly in their work activities.

According to Bobysudová from the Institute of Management in Prague, the model of current requirements for the qualification of a manager's personality can be summarized and specified as follows:

- ▶ **high professional level** (professionalism), reliability, responsibility, work independence, creativity, entrepreneurship and self-motivation,
- ▶ **methodical mastery of management** combined with thorough knowledge of specific methods that enable the practical use of knowledge for management,
- ▶ **social competences** expressing the manager's ability to navigate correctly in social situations and in the context of social phenomena, to lead work teams, to create an environment for creative and effective cooperation.

## 1.6 MANAGERIAL ROLES

**Managerial role** is a concept from the field of management. From a sociological point of view, the role of a manager is a function in which a manager acts in relation to other people. From a management point of view, roles express specific forms of behavior that are necessary to perform the task of a given job or job. Managerial roles exist in relation to subordinates, superiors, co-workers, owners and customers. They are divided into formal and informal.

The most famous and most quoted characteristic of roles was introduced by 1973 Henry Mintzberg:

### 1. Information roles

- the manager acts as a recipient of information - monitoring, sorting, processing and evaluating the information found,
- the manager acts as a disseminator of information - he spreads information towards the organization, i.e. j. superiors, subordinates and co-workers,
- the manager acts as a spokesman - spreads information from the company outwards, i.e. j. customers, suppliers and others.

### 2. Interpersonal roles

- the manager acts as a leader and connecting link - getting along with people inside the organization, coordinating and leading subordinates, evaluation, education, conflict resolution,

- the manager acts as a representative of the organization - dealing with people outside the organization, promotion of services and products, business negotiations.

### *3. Decision-making roles*

- the manager acts as an entrepreneur - performing business functions, acquiring new customers and responding to external changes,
- the manager acts as a resource allocator - deciding on the acquisition and placement of resources, employees, expansion of production and others,
- the manager acts as a negotiator and problem solver - resolution of crisis situations,
- the manager acts as a representative of the organization – representing the organization in public and presenting it.<sup>11</sup>

## **1.7 BASIC MANAGERIAL FUNCTIONS**

The basic functions, planning, organizing, human resource management, leadership and control performed by managers are interconnected and complement each other.

### *Planning*

- is an activity in which decisions are made about the near and distant future of the organization,
- identifies the tasks, importance and share of individual resources to achieve goals organization,
- coordinates the activities of all employees of the organization,
- decides on activities that are, or they are not necessary for implementation of set goals,
- allows you to compare real results with set goals and if necessary, corrections take the necessary measures.

### *Organizing*

- includes the creation of an organizational structure and the coordination of individual activities workers,
- delegation of authority and responsibility to individuals and departments,
- ensuring horizontal and vertical coordination of activities in the organizational

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<sup>11</sup> Available at: [https://sk.wikipedia.org/wiki/Mana%C5%BE%C3%A9rska\\_rola](https://sk.wikipedia.org/wiki/Mana%C5%BE%C3%A9rska_rola)

structure,

- effective organization is one of the decisive prerequisites for effective use of the organization's resources.

#### *Human resources management*

- the task of this activity consists in the personnel security of the managers and the manager processes,

- the emphasis is mainly on the professional and qualification prerequisites of the workers (knowledge, skills, experience, abilities),

- evaluation and improvement of work performance,

- reward system.

#### *Leadership and control*

- the manager's activity that guides and motivates workers to achieve the set goals,

- monitoring the progress of individual processes and, if necessary, their correction,

- comparison of the quantity and quality of established intentions (goals, plans, standards, standards, etc.) with the achieved results.

Decisions are made constantly by all managers at all management levels.

The quality of decision-making has an impact on the performance and effectiveness of the organization, regardless of whether it is a decision of a strategic or operational nature.

Therefore, it is important that every manager acquires a certain set of skills that are necessary to achieve the desired quality of decision-making.

### **1.8 MANAGERIAL SKILLS, ABILITIES, COMPETENCES**

**Skill** is a specialized ability to perform a specific activity, to solve a specific problem. The skill of an intellectual nature is called competency.

**Ability** is a psychological quality of personality that is a condition (assuming) successful performance of a certain complex activity.

**Competence** is an ability (behavior, activity or complex of activities) characterized by excellent performance in some field of activity.

**Key competences** represent the whole package of knowledge, skills and attitudes that are necessary for each individual to be able to fulfill personal development, social inclusion and to be able to be employed. These competences should be achieved by the end of compulsory education and vocational training and should form the basis for further education in the overall concept of lifelong learning in people. Key competences will be displayed in a wide range of education and training.<sup>12</sup>

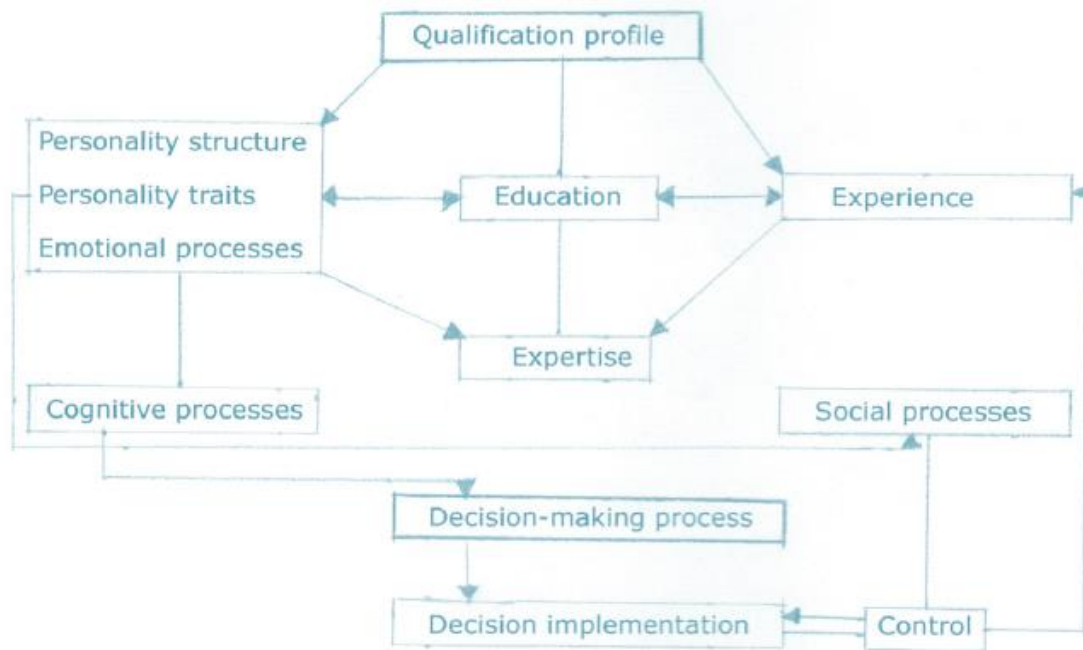


Figure 3: Model of the Current Requirements for the Qualification of the Manager's Personality<sup>13</sup>

### 1.8.1 Soft and Hard Management Factors

Managers distinguish two ways of influencing:

- personal - communication skills, management skills, flexibility, adaptability, etc. – "soft" management factors,
- impersonal - formal and binding company management rules, process management, accuracy, binding, etc. – "hard" management factors.

The skills of managers can be divided into:

<sup>12</sup> Commission Staff Working Paper: Progress Towards the Common European Objectives in Education and Training – Indicators and Benchmarks". 2010/2011, EU 2011, ISBN 978-92-79-20231-5.

<sup>13</sup> Available at: <https://www.danovecentrum.sk/odborny-clanok/Styl-vedenia-ludi-v-praci-manazera-faktor-zvysovania-konkurencieschopnosti-v-podniku-Ako-sa-stat-uspesnym-manazerom.htm>

### 1. *Professional* (technical) skills

- application of specific methods and procedures,
- acquiring professional knowledge - by studying.

### 2. *Interpersonal* (human)

- the ability to work well with people inside and outside the organization, with individuals and with groups,
- the ability to lead and motivate people.

### 3. *Conceptual*

- distinguish priorities,
- the ability to think conceptually and comprehensively,
- identify significant elements and understand mutual relationships,
- identify tendencies and probabilities of development,
- the ability to find practical, feasible solutions.

### 4. *Communication skills*

- transmit and receive information, ideas, approaches,
- verbal and non-verbal communication,
- presentation skills,
- solving conflicts, problems.<sup>14</sup>

In recent years, there has been a big change in the perception of soft skills by employers. In the past, the recruitment of employees focused more mainly on the professional skills of the applicants, while they were interested in the "personality" of the employee only later. Today, there are more and more soft skills that employers notice - the level of communication, conflict resolution, self-criticism, etc. Many people take them for granted, but most of them do not master them at the level that is required of them.

If we imagine a situation where a person with a high-quality professional education and experience is looking for a job but does not demonstrate sufficient communication skills during a job interview, is unable to present himself in the best possible light in front of the employer, he will significantly reduce his chance of success at the interview. And it doesn't just apply to applicants. Even an employee who does not know how to organize work tasks, does not cooperate,

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<sup>14</sup> ARMSTRONG, M., 2011. Work Performance Management in Business Practice. Praha: FRAGMENT. 2011. 400 pp. ISBN 978-80-253-1198-1.

does not know how to communicate and manage subordinates, can quickly lose his job.

In general, we can distinguish nine basic categories of soft skills:

- communication skills
- emotional intelligence
- presentation skills
- the ability to solve problems and conflicts
- ability to work in a team
- time management
- ability to be innovative
- the ability to understand and lead oneself
- management and leadership ability

#### **1.8.1.1 Communication Skills**

Communication is the basic means of exchanging information between people. Communication skills are among the most important soft skills. To ensure effective communication, we must provide this information clearly, concisely, completely accurately and politely.

In **verbal communication**, the choice of words and the structure of the sentence are of great importance. It is very important for a good manager to know the principles of successful verbal communication to build correct relations with his employees, or business partners.

The first principle talks about taking your own position on HOW you transmit information. It is possible that if the manager announces a certain fact, message, or assigns a task and his employees notice HOW, the reaction of subordinates will be similar - indifferent, disinterested. They will have no need to give the matter any more attention than their leader gave it. A good manager must therefore be aware that he is setting an example for others.

Another of the principles deals with the manager's effort to know the professional qualities, abilities, experience and intellectual level of his employee/collaborator,

in order to transfer and understand information and the ability to actually use it at work.

When entering tasks, it is important to combine oral information with illustrative information, e.g. pictorial. Many people will welcome this way of reporting, after all, it is not for nothing that they say that sometimes it is better to see once than to hear ten times. In connection with the transmission of information and work instructions, it is necessary to verify how and to what extent the information was understood by the recipient (e.g. by appropriately chosen control questions or by invoking a short discussion).

In the work process, it is important:

- active listening
- verbal and non-verbal communication
- assertiveness and self-assertion
- presentation skills
- solving problems, conflicts.

### **The most common communication errors**

*On the speaking side:*

- a) vagueness and imprecision
- b) overgeneralization
- c) bad interpretation of what was heard
- d) indirect expression of feelings
- e) inconsistency of verbal and non-verbal expression

*On the listening side:*

- a) interrupting and jumping into the speech of the speaker
- b) no feedback, ignoring the speaker
- c) manifestations of non-verbal rejection (constant looking, looking sideways...)

### **Verbal communication tips**

- ▶ Don't jump into the conversation
- ▶ Do not use an aggressive voice unless the situation calls for it
- ▶ Use literary language (no slang, dialect words, vulgarisms, foreign words)
- ▶ Maintain eye contact



- ▶ Respect the opinions of others, even if you are against them
- ▶ Do not jump to conclusions
- ▶ Control your emotions, avoid a situation where you could explode emotionally
- ▶ Learn to admit your own mistakes
- ▶ Do not use indefinite questions.

**Nonverbal communication** generally represents communication without the use of words, the so-called body language. Of the many manifestations of this communication, four are especially important for the manager.

*Facial expressions and eye contact.* With the help of the eyes, mouth and facial muscles, a person can clearly recognize the attitude of the other towards him. Despite the frequent stressful situations in which the manager finds himself, there is an opportunity to use mimicry to his advantage and to the advantage of others.

*Gestures and pantomime.* In practice, one often encounters that the spoken word is accompanied by gestures - in general, we can say body and limb movements. A good manager should also be able to use this method of communication. Controlling this body language is very important, because sometimes gestures can completely replace any word and can evaluate the situation much more accurately. As an example, we can take the way of praising and reprimanding an employee.

In some circles, especially construction circles, it is appropriate for a manager to pat a guy on the shoulder and shake his hand with the words: "Good job, mate," instead of unnecessarily long words of praise.

From the point of view of *pantomime*, posture and body movements are a very important factor. In general, it is advisable to walk straight, with your hands freely next to your body. A stooped posture (of course, if it is not a health problem) and imprudent gestures can mean indifference, lack of interest, or arrogance.

Another no less important part of non-verbal communication is the way *the manager looks and dresses*. Shirt and suit for men, or a simple dress or a skirt with a blouse for women are the most suitable types of presentation in a work-formal environment. The wrong choice of hairstyle or parts of clothing can again have a negative impact on the overall expression of the manager's personality.

*Proxemics.* Scientific discipline dealing with the study of interpersonal spatial distance. It is therefore about the location, the distance of one person from another and their mutual orientation in space, which subsequently tells about their relationship. It is natural that a good manager does not "let everyone to his body", and on the contrary, he does not communicate with his closest colleagues with loud shouts across the corridor, but personally near each other.

### **Active listening**

Every person is pleased and therefore in a favorable mood if he can talk, to express his opinion and we let him know sufficiently that we perceive him. Experts advise that if someone wants to be a good conversational partner, he must first become a good and receptive listener. It is important to learn to ask questions that the other person likes to answer. If the manager gives his subordinate the space to talk, he creates a favorable atmosphere and can gain new information not only about the issue of the given work topic, but also about the manner of behavior, presentation or personality of the speaker. The manager can later use this knowledge when assigning special tasks or trying to find a replacement for his person in case of absence.

However, active listening does not mean that you let your colleague conduct a monologue while you only pretend to listen. To make listening truly active, constantly reassure your partner that you are listening, whether by maintaining eye contact, taking brief notes, nodding, or a short sentence containing words of agreement. In general, there are several principles that lead to a person becoming a good active listener. These tips can help the manager to establish even closer communication with his employees.

### **Asking questions**

Appropriate questions can significantly direct the course of communication. This fact makes it important to learn to ask the right questions. At the beginning of the interview, it is good to put the so-called an open question to which the partner/employee answers freely, usually with a longer statement. If the person in question uses the space for a longer speech, it can be assumed that he is interested in the given matter. In the case of speeding up the interview, it is possible to ask the so-called closed questions to which the interviewee answers

yes or no. However, a good manager must not use these questions often, because they can make the partner feel that he is being interrogated or that he is being treated too harshly.

If a person wants to find out the facts, he does not use suggestive questions too often, because of influencing the partner in his answer. He will tell you what you want to hear, not what he really thinks.

Asking questions also gives the manager the opportunity to find out what employees think about a certain topic, about work, the work environment, or about workplace relationships. It is very important to ask about the satisfaction or dissatisfaction of people in the team, because by creating favorable working conditions you can significantly increase the productivity of the entire team.

### **1.8.1.2 Emotional Intelligence**

***Emotional or emotional intelligence (EQ)*** is the ability to identify and control one's own and others' emotions.

This ability guarantees the richness of an individual's life, and how he asserts himself in a certain social environment. It is necessary to distinguish between IQ and EQ. The basic difference is that IQ does not change from a certain moment, but EQ changes throughout life and we can influence it with our behavior and actions. Therefore, to be able to increase emotional intelligence, it is necessary to understand one's own emotions, to find the cause of their occurrence and their origin.

Some psychologists believe that emotional intelligence is more essential than any other leadership skill. In general, we can say that people with high EQ achieve better results at work. However, it is not true that emotional intelligence is important only for workers.

### **1.8.1.3 Solving Problems and Conflicts**

The origin of the problem is usually some difficult tasks or point of contention. Solving the problem consists of the following consecutive steps:

- defining the problem
- problem analysis
- creation of different alternatives for solving the problem

- evaluation and selection of the most suitable alternative
- implementation of decisions
- tracking
- evaluation.

Conflict usually occurs when people contradict each other, preventing each other from fulfilling a goal, satisfying needs or requirements.

*Avoidance* = avoiding the conflict that has arisen, it is not resolved. It is a situation where there is dissatisfaction on both sides, a lose-lose situation.

*Accommodating* = retreat of one party in a conflict, for example because of fear, is concerned about the conflict, is not used to fighting for itself, or gives up under pressure from the other party. Lose-win situation.

Compromise = the parties agree together, with each party making some concession.

*Assertion* = one side prevails (due to influence, greater skill, greater power), the other side surrenders. Win - lose situation.

*Consensus* = neither side gives up and both sides are satisfied, satisfaction with the final agreement. Win-win situation.

It is not possible to unequivocally determine how conflicts should be resolved. Each situation requires a different way of resolving the conflict. The way to resolve the conflict also depends on the nature of the person. But it is self-evident that a conflict that is kept silent, avoided by the parties, cannot be resolved.

#### **1.8.1.4 Time Management**

***Time management*** is effective management of one's own time. If someone has more time and more to do than you, it does not necessarily mean that they have less responsibilities. It's enough if he can organize his time better than you. Such a person knows how to plan all activities in such a way that he manages

everything and still has some extra time. Knowing how to organize your day and knowing how to plan is the basis of success.

Time management is the act of someone planning or organizing their time between different activities to maximize their effectiveness. Those who can practice good time management skills get more done in less time.<sup>15</sup>

### **Steps to effective time management**

The main thing is to know yourself, your habits and activities that take up our time. Among the things that rob us of time are, for example:

- overwork and fatigue,
- absence of goals,
- unfinished tasks,
- inability to shorten, end the conversation,
- ineffective communication and the emergence of misunderstandings,
- putting off unpleasant tasks,
- unclear instructions,
- many things in progress at once
- interrupting work - social networks, conversations with colleagues, handling e-mail
- ignorance of the existence of time management and available planning methods.

### **Manager's time analysis**

Every capable manager must know how to use his time correctly and, above all, efficiently. The analysis of the manager's time results in several facts - recommendations based on which the manager can work successfully and efficiently:

- ▶ *do not postpone anything* that needs to be done,
- ▶ find ways to *limit interruptions* by surrounding factors and unexpected visits (office hours, a secretary as a visit filter, order in things, a pleasant working environment...),

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<sup>15</sup> SKIDMORE S., WOODS C., 2023. *Time Management Definition, Benefits & Examples*. [online] published November 2023, [cited September, 2024]. Available at: <https://study.com/academy/lesson/what-is-time-management-definition-examples-studies.html>

- ▶ try to *reduce the time spent in unprepared discussions* with colleagues, focus on important and urgent problems during negotiations, do not get drawn into irrelevant discussions,
- ▶ in the case of *delegating* some tasks to your subordinates, give them all the information related to their task, within deadlines and resources and make sure that they understand the task well, (otherwise it can happen that explaining the manager will waste even more time than if he worked on the matter alone)
- ▶ *learn to say NO*, especially if a certain task is a problem for the manager's activity, a good business partner will certainly understand a polite refusal, if a justification is added to it, as a meaningful and separate NO, signifying disagreement.

One of the most important times is the time for yourself consisting of several activities that require calmness and concentration to be performed efficiently and precisely. It can be about introducing innovations, organizing and planning, ensuring prosperity and efficiency in the future as well. It is also a time for creative thinking, for discovering new ideas, implementation methods, innovative solutions, etc.

### 1.8.1.5 Relationship Between Skills and Managerial Functions

The relationship between skills and managerial functions is expressed in the following matrix:

Skills	Managerial functions			
	Planning	Organizing	Management	Control
Acquisition of power		+	+	
Active listening			+	+
Coping with cultural differences		+	+	
Budgeting	+			+
Choosing an effective leadership style			+	
Coaching			+	
Building an effective team		+	+	
Delegation		+	+	
Motivation		+	+	

Creating confidence			+	
Dealing with disciplinary offences			+	+
Coping with resistance to change		+	+	+
Time management	+			+
Negotiation			+	
Providing feedback			+	+
Corporate culture		+	+	

Managerial functions and skills are similar. Although they have some overlapping aspects, they have distinct differences. Managerial functions refer to the managerial job role from a task-based perspective, while managerial skills have to do with the manager's ability to execute the functions. The difference between the two lies in the function itself and the ability of the manager to perform the function.

Managerial functions are the day-to-day responsibilities that define the managerial position. They justify the existence of a manager. Several common managerial functions include controlling workflow, overseeing a group of employees, analyzing performance against goals, setting internal goals, and communicating results to upper-level management and company executives.<sup>16</sup>

### **1.9 MANAGER IN A CONSTRUCTION COMPANY**

The prerequisites of a good construction manager include the ability to think logically and technically and to implement it in practice. In general, the manager of a construction company is required to have technical competence in the field of construction. However, in addition to normal work activities, a manager in the construction industry should also be a representative representative of the company/organization.

His tasks should also include participation in various conferences, exhibitions and social events, where he should present his company as a representative.

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<sup>16</sup> LAZZARI, Z., 2023. *Difference Between Managerial Functions & Managerial Skills*. [online] published September 2023, [cited July 2024]. Available at: <https://smallbusiness.chron.com/difference-between-managerial-functions-managerial-skills-35683.html>

Therefore, the ability to present oneself in front of people or the professional public must also be included in the manager's general assumptions. Good communication skills and general knowledge from various fields (psychology, law, economics, etc.) are also important for successful management of a construction company.

**The construction manager** coordinates and supervises the building of all types of residential, commercial, industrial, and civic structures — from roads to bridges, and office buildings to factories. A construction manager must have a deep understanding of all facets of the building process, from the initial planning and foundational work through to project completion. Their job is to oversee a lot of moving pieces at once, and keep the project on track, on time, and on budget. Since they act as the intermediary between clients, architects, engineers, subcontractors, and regulatory personnel, they must have excellent communication and leadership skills and attention to detail. There are degrees to be a certified construction manager, however most of the skills required come from experience.

As a construction manager, you will be responsible for overseeing all the logistics of a construction project. Duties may include creating work schedules for your team and allocating responsibilities. You might also be required to conduct site visits and report to senior managers on project progress.

The role of construction manager involves the following duties:

- Overseeing the logistical requirements of a project
- Delegating work to colleagues within your team
- Meeting regularly with clients, third parties and other managers to report on progress
- Setting targets, objectives and responsibilities for all supervised staff
- Regularly reviewing timings, budget, labour, risk and project plans to ensure work stays on track
- Setting and agreeing budgets
- Conducting site visits to inspect work, check materials and ensure staff are following health and safety guidelines
- Dealing with contracts and mitigating the impact of any issues
- Ensuring the delivery of high-quality work within contract timescales



- Working in an office and on a construction site.<sup>17</sup>

The construction manager is the key manager of the construction company. Organizes, manages and coordinates construction work and other activities on the construction site and on the construction site and keeps records of them in the construction diary.<sup>18</sup>



Figure 4: Proposal for construction companies in the conditions of globalization<sup>19</sup>

### 1.9.1 Competences of Construction Manager

Construction project managers oversee all phases of the building process, with their main goal to ensure the project is completed on time and within scope and budget. An efficient and effective construction project manager must be well-versed in all construction methodologies and procedures and able to coordinate a team of professionals of different disciplines to achieve the best results. If you are thinking about taking your career to the next level and becoming a project manager, here are the 6 skills you need to be successful:

<sup>17</sup> Available at: <https://www.goconstruct.org/construction-careers/what-jobs-are-right-for-me/construction-manager/>

<sup>18</sup> KOZLOVSKÁ, M., HYBEN, I., 2015. *Construction Manager. New Challenges and Realities*. Bratislava: EUROSTAV, Ltd. 2015. 288 pp. ISBN 978-80-89228-43-0.

<sup>19</sup> JANKOVÍCHOVÁ, E., 2011. *Impact of Globalization on the Management of Construction Companies*. Bratislava: SUT, 2011, 137 pp., ISBN 978-80-227-3477-6, p. 118.

## **1) Technical Communications**

As middle management, you will be communicating daily with both contractors and staff as well as upper management and executives. Having strong verbal, written and presentation skills will help you communicate effectively with all parties, ensuring the project is done with minimal frustrations and avoid miscommunication.

## **2) Building Code Knowledge**

Building zoning, bylaws, design specifications, fire protection and structural standards affect the design and construction of a building. As a project manager it will be your responsibility to ensure the safety and integrity of the building and adjust as necessary.

## **3) Construction Estimating**

Estimating and controlling construction material quantities allows you, as a project manager, to accurately forecast and budget costs and materials to ensure the project is profitable and that the workers have enough supplies and material to complete the project without roadblocks.

## **4) Project Control and Scheduling**

Planning a construction project is one of the most important skills for project managers. Recognizing cost controls, scheduling the use of project resources and understanding the organization's processes are all essential to the job. Additionally, knowing how to maintain construction change orders, accurately record project data and perform cost control functions will ensure project managers are able to present the project's details to upper management effectively.

## **5) Team Management**

Construction sites have many layers of teams: upper management, middle management, hired staff, contractors, and teams within each subcontractor's company. It takes a significant amount of skill to manage, schedule and communicate with each team and facilitate communication between them. The most efficient, productive project managers have excellent team management skills, understand team dynamics and create a positive environment where teams work efficiently together.

## **6) Leadership Skills**

Leadership differs from management in that management consists of controlling a set of entities to accomplish a goal, whereas leadership refers to one's ability to

influence and motivate others to work towards a common goal. Not all managers are good leaders; however, the best project managers are able to influence those around them in a positive way. Strong leadership skills are arguably the most important skill in any management position.<sup>20</sup>

Other competencies include:

- required professional qualification,
- sufficient professional experience and proof of successful practical work at construction management,
- control of the technologies necessary for the management and implementation of construction processes,
- knowledge of the administrative agenda of the building,
- controlling the competences of subordinate workers,
- knowledge of technical and legal regulations regarding construction works,
- control of regulations related to OSH, OZP, fire regulations and hygienic,
- personal qualities suitable for management (ethical, moral, integrity).

## **1.9.2 Prerequisites for Performing Function of Construction Manager**

### **Education Requirements**

high school or university education in a technical field

### **Practice Requirements -**

in the case of higher education - min. 3 years of professional experience

in the case of secondary education - min. 5 years of professional experience

### **1.9.2.1 Examination of Professional Competence**

Examination of professional competence to perform the activity of construction manager/construction supervisor (CM/CS) according to Act no. 138/1992 Coll. on Authorized Architects and Authorized Construction Engineers, as amended, is required to obtain an authorization to conduct construction works according to

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<sup>20</sup> Brighton College, 2023. *6 Skills You Need to Be a Construction Project Manager*. [online] published October 2023, [cited September, 2024]. Available at: <https://brightoncollege.com/blog/6-skills-you-need-to-be-a-construction-project-manager/>

the Construction Act. A successful graduate of the exam acquires the ability to perform activities for individual subcategories separately. The written part of the exam usually takes place electronically.<sup>21</sup>

- selected activity in construction
- special authorization
- taking a professional exam
- receiving an authorization certificate
- Slovak Chamber of Civil Engineers (SCHCE)
- list of authorized construction engineers (architects).

As we look toward the future, three prominent project management trends emerge, underscoring the importance of cultivating a versatile and robust skill set to meet the demands of agility, industry knowledge, and strategic implementation.

The demand for agility in project management has never been higher. Organizations are increasingly seeking project managers who can adapt to change swiftly and manage projects with a flexible mindset.

Project managers with a deep understanding of their industry's trends, regulations, and challenges can lead projects more effectively.

Managers must align individual project goals with the organization's broader strategic objectives, ensuring that each project contributes to the mission and success.<sup>22</sup>

Regulated trades in the construction industry are:

REGULATED TRADES			
Seq. No.	Regulated trade	Proof of qualification	Notes
<b>GROUP 213 – Civil engineering</b>			
12.	Preparation of project documentation for simple structures, small structures and modification of such structures	<ol style="list-style-type: none"> <li>1. university education in civil engineering or architecture or</li> <li>2. professional secondary school education in</li> </ol>	Article 45 paragraph 6 of Act No. 50/1976 Coll. on Urban Planning and Building Code of Procedure (Building

<sup>21</sup> Act No. 138/1992 Coll. on authorized architects and authorized construction engineers, as amended.

<sup>22</sup> TSONEV, N., 2024. *13 Key Skills and Competencies for Project Managers in 2024*. [online] published July 2024, [cited September, 2024]. Available at: <https://businessmap.io/blog/project-manager-skills>

	Preparation of documentation and project of technical, technological and power equipment for such structures/buildings	civil engineering 1. university education in appropriate technological branch or 2. professional secondary school education in appropriate technological branch	Act) as amended by subsequent regulations	
13.	Building of such structures and implementation of modification in such structures	1. university education in civil engineering or in architecture and 4 years of practical experience in the branch 2. professional secondary school education in civil engineering and 8 years of practical experience in the branch		I
14.	Implementation of simple structures, small structures and modifications in such structures	1. university education in civil engineering or in architecture or 2. professional secondary school education in civil engineering and 3 years of practical experience in the branch		I
15.	Performance of supervision of implementation of construction of leisure facilities for individuals ground structures and construction of site installations, with built-in area not exceeding 300 sq.m. and height of 15 m	University graduate in civil engineering or architecture or professional secondary level education in civil engineering and 3 years of professional experience in the branch	Article 44 paragraph 2 of the Act No. 50/1976 Coll. on Urban Planning and Building Code of Procedure (Building Act) as amended by Act No. 237/2000 Coll.	
16.	Performance of activities of a building inspector Performance of activities of a construction supervision	certificate of professional examination	Article 31 paragraph 2 (j) of the Act of the National Council of the SR No. 138/1992 Coll. on Authorised Civil Engineers as amended by Act of the National Council of the Slovak Republic No. 236/2000 Coll.	

17.	Performance of blasting activities	<ol style="list-style-type: none"> <li>1. Shot firer's certificate age over 21 or</li> <li>2. authorisation of technological blasting engineer age over 24</li> </ol>	Article 35 Act of the National Council of the Slovak Republic No. 51/1988 Coll. on Mining Explosives and National Mines Administration as amended by the Act of the National Council of the Slovak Republic No. 499/1991 Coll.
18.	Activities of scaffolding and mountainclimbing equipment instructor	card of scaffolding and mountainclimbing equipment instructor issued by the education facility accredited by authority of state professional	Article 9 paragraph 3 of the Decree of the Slovak Labour Safety Office and Slovak Mining Bureau No. 374/1990 Coll. on Safety at Work and on Technological Equipment at Civil Engineering Works
19.	Technical certification of building industry products	authorisation	Article 4 paragraph 3 of Act No. 90/1998 Coll. on Building Industry Products as amended by the Act No. 264/1999

*Source: Annex No. 2 to the Act No. 455/1991 of Coll. as amended.*

### **1.9.2.2 Professional Knowledge**

The following knowledge and skills are required:

- technologies necessary for the implementation of constructions
- technical regulations regarding construction works
- legal norms related to construction activity
- health and safety regulations
- environmental regulations
- fire regulations
- administrative work techniques
- organization of your own company
- functional content of subordinate workers.

### **1.9.2.3 Managerial Assumptions**

In the sphere of management, the impact of effective leadership cannot be overstated. A skilled manager has the power to inspire and motivate their team, resulting in increased productivity and employee satisfaction. One often overlooked aspect that significantly influences managerial success is the role of assumptions. Assumptions form the foundation of a manager's style, either promoting a culture of critical thinking or fostering a controlling atmosphere.

#### **Assumptions: The Driving Force behind Management Styles:**

Assumptions, whether conscious or subconscious, play a fundamental role in shaping a manager's approach to leading their team. Let us examine two contrasting sets of assumptions that commonly influence management styles.

#### **Enquiry-Based Assumptions:**

Good managers, who possess enquiry-based assumptions, believe in the skills and capabilities of their staff members. They view their team as a valuable resource and encourage independent thinking by asking thought-provoking questions rather than merely issuing instructions. This style of management fosters critical thinking, promotes problem-solving skills, and instils a sense of ownership among employees.

#### **Control-Based Assumptions:**

Conversely, controlling managers tend to assume that their staff members lack the necessary skills or capabilities to perform their duties effectively. These managers feel compelled to micromanage and provide detailed instructions, operating under the assumption that employees cannot be trusted to fulfil their responsibilities independently. Such an assumption stifles creativity, limits growth potential, and creates a culture of dependency within the team.

#### **Managerial Self-Development:**

To become effective managers and nurture a positive work environment, it is imperative for managers to actively develop themselves. Here are key steps that managers can take to enhance their leadership skills:

**Self-Reflection:** Managers must engage in introspection and identify their underlying assumptions about their team members. Understanding these

assumptions is crucial for personal growth and improvement as a manager. It is important to recognise that our assumptions are often shaped by our early life experiences and upbringing.

Assumptions are a pivotal factor in shaping management styles, either enabling effective leadership or hindering growth and development within a team. By embracing an enquiry-based assumption and challenging controlling tendencies, managers can create a workplace environment that encourages critical thinking, empowers employees, and drives success.

The development of managers requires self-reflection, continuous learning, and the willingness to embrace an inclusive mindset. By recognising the origins of these assumptions and actively challenging them through self-examination, seeking feedback, embracing diversity, continuous learning, and reflective decision-making, managers can foster an environment that promotes personal growth, empowers employees, and drives organisational success.<sup>23</sup>

Major prerequisites may include:

- organizational skills
- coordination skills
- the ability to motivate other people
- open communication as a management style
- communicativeness with subordinates and superiors
- the ability to make quick and correct judgments
- creative approach and initiative
- the ability to lead a team
- prudence and accuracy
- authority
- understanding of work and personal problems of subordinates
- a sense of cooperation
- consistency in the performance of work and other tasks
- the ability to evaluate fairly

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<sup>23</sup> BEER, P., 2023. *Crucial Role of Assumptions in Shaping Effective Management Styles*. [online] published Jun 2023, [cited September, 2024]. Available at: <https://www.linkedin.com/pulse/crucial-role-assumptions-shaping-effective-management-paul-de-beer>



- a personal example
- using knowledge as feedback to eliminate shortcomings and problem solving.

### **1.10 KEY COMPETENCES**

Key competences should be used to solve many varied problems, in different contexts, to achieve multiple goals; they should be applied not only in different professions, but also in different areas of human activity.

Acquiring and improving key competences is considered a lifelong learning process, not only in school, but also in employment, family, cultural, social and political life, etc. Acquiring key competencies is not only a matter of personal effort of the individual but requires a favorable social and ecological environment.

Several economically developed countries of the world and international organizations have proposed a system of key competences, which they are already trying to implement in lifelong learning, especially in schools and in the workplace, but also in some places through mass communication means.

A survey of the most important skills required for the 21st century in the world's 500 most successful organizations provided this list, in order of importance:

- teamwork
- problem solving
- interpersonal skills
- oral communication
- listening
- personal and career development
- creative thinking
- leadership
- goal setting and motivation
- writing
- organizational development.

The national education and training program for the SR "Millennium" determined the following competencies for key:

- communication skills and competencies
- personal and interpersonal skills
- ability to solve problems creatively and critically working with modern IT
- implementation of symbolic applications
- shape civil society.<sup>24</sup>

### 1.11 MANAGERIAL WORK STYLES

**Management style** – the manager's overall approach to the implementation of his tasks - chosen methods, decision making.

**Leadership style** is the vertical relationship of the leader to the subordinate's characteristic of the given executive. It is essentially a form of work relationship between a superior and a subordinate.<sup>25</sup>

Leadership styles are fundamental rules of behavior (vertical relationship) of a superior (leader, manager) towards subordinate individuals or a subordinate collective, which are the same over a longer period.

There are different opinions and theories about managing people according to behavior, which are based on different factors that influence people's management. They are mainly the following supporting theories:

1. People leadership styles based on the use of authority (classical leadership styles)
2. Likert leadership styles
3. Leadership styles based on the management grid.

By the style of managing people in practice, we understand the way of managing workers, which motivates their behavior in various situations. Each style always corresponds to specific methods and techniques used by the superior in the organization. It is an expression of a leading attitude towards subordinates,

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<sup>24</sup> Ministry of Education of the SR. 2002. *MILLENNIUM: National program of education and training in the Slovak Republic for the next 15 to 20 years*. Bratislava: IRIS, 2002. ISBN 80-89018-36-X.

<sup>25</sup> JANUSKA, J., 2020. *Leadership Styles in Management*. [online] published September, 2020, [cited July, 2024]. Available at: <https://www.euroekonom.sk/styly-vedenia-v-manazmente/>

manifested by his trust, or mistrust, tolerance, or intolerance etc. It strongly depends on the leader's personality and his attitude towards people.

From the point of view of the behavior of managers, it can be said that there are two types of executives, one is characterized by relationships at the workplace, they care about people's feelings, then it can be said that they are relationally motivated. On the other hand, there are managers who are not so interested in relationships at the workplace, they are burdened to fulfill every set task, then we talk about task-motivated leaders.

### **1.11.1 Choice of Management Style**

The leader should adapt the preferred leadership style to various variables and at the same time understand leadership as a whole system. The decisive variables for choosing the appropriate style are the leader, the leadership, the task and the context.

#### **Leader**

The leader should have a range of styles in his spectrum and the ability to vary his behavior in a wide range - from consultative to directive. A good manager can adopt different styles, even though he will more often tend to the other. The range of acceptable styles is influenced by several factors that determine a leader's abilities and behavior, including:

- experience affects his idea of behavior and limits it within the limits of the guardrails
- the leader's value system, preference for certain values, principledness,
- the leader's trust in his subordinates or colleagues resulting from his knowledge of the members of his group. A democratic style of leadership presupposes people who are mature and trained, able to cope with responsibility.
- the leader's need for certainty, his level of uncertainty tolerance or risk tolerance affects the application of the leadership style. A risk-averse leader will be more inclined to a more directive style of leadership.
- the manager's personal contribution, his ability to contribute to the success of the task leads to an authoritative style when the leader is convinced of his potential contribution.

- pressure and stress, the feeling of being overloaded can lead to two reactions in the leader, either he becomes directive to gain control over the situation or he becomes apathetic and gives up management altogether.

### **Leadership**

They may have different opinions and reactions to the same situation as the leader. Their attitudes and preferences are mainly influenced by expectations from the previous period, interest in the problem or situation, tolerance of subordinates to uncertainty, age and stage of the group's lifespan.

### **Task**

The mission and obligation to do something puts leaders in front of a problem to solve something. The method of defining the task and defining the scope and content of the task are also related to this. The application of a specific management style will be mainly influenced by:

- ▶ the nature of the task: routine tasks have a given procedure, and a consultative style would lead to losses and misunderstanding among people. New tasks require a more open approach, a more democratic and consultative leadership style
- ▶ time space for completing the task - in a time crunch there is no opportunity and space for applying a consultative style
- ▶ complexity of the task: the more complex the task, the more time-consuming the solution, the simpler the task, the sooner a directive style can be applied
- ▶ room for error – the more directive the style, the greater the risk of error.

### **Context**

The context of the organization itself affects the degree of freedom for the leader, the subordinates and the requirements for solving the task. The context mainly represents:

- the organizational structure affects the number of subordinates. In more flexible forms, individuals have a higher degree of freedom for behavior and maneuvering.
- the technology used affects the possibility of copying and the need for connection and continuity. More freedom is lower for autonomous groups when solving problems of interconnected processes.

- organizational culture – degree of freedom in decision-making and management of people. A more bureaucratic culture provides less room for tolerance.
- control system and application of basic control principles.

#### **1.11.1.1. Likert Leadership Styles**

Likert's leadership styles were compiled by Professor Likert, after whom this approach is named, he developed a classification of people's leadership styles based on the study of managers. He assumed the existence of four styles:

- *exploitative - authoritarian leadership style* - leaders are highly authoritative and have little trust in subordinates.
- *benevolent - authoritative style of leadership* - the leader is interested in some ideas of subordinates, and therefore there is some communication from the bottom up.
- *consultative leadership style* - leaders largely trust their subordinates.
- *participative - group leadership style* - the leader trusts subordinates to a great extent

According to Likert, managers using the latter system achieve the greatest success. Subordinates of these managers achieve high efficiency in determining and fulfilling goals. Likert saw the reason for the success of this system in the application of a high degree of worker participation in management. The most effective leader focuses on the human aspects of the managed group, i.e. on the subordinates.

#### **1.11.1.2 Leadership Styles Based on the Management Grid**

Robert Blake and Jane Mouton developed a matrix (grid) determining the manager's level of interest in the task and in the workers. The matrix has two dimensions with fields 9 x 9. The horizontal ascending arrangement of fields from 1 to 9 determines the increasing intensity of managers' interest in tasks, and the vertical arrangement of fields 1 to 9 expresses the increasing intensity of managers' attention directed to people. So, there are 81 positions in the matrix that express different leadership styles. Blake and Mouton put several typical leadership styles into a matrix:

- ▶ Free-flowing leader (1,1) represents the worst leadership style, characterized by indifference and apathy. Often this type is also referred to as insufficient management.
- ▶ Leader of the association of gardeners (1.9) – supports employees and accommodates them.
- ▶ Authoritative leader (9.1) – focuses on completing tasks without paying much attention to employees.
- ▶ Compromise leader (5.5) – his aim is average group performance and maintaining morale at a satisfactory level.
- ▶ Team leader (9.9) – workers are passionate about their work, which is reflected in the performance of tasks within team cooperation.
- ▶ Paternalist (9, 9) - combines an interest in people with the fulfillment of tasks, but not in the way of a team leader. He approaches his subordinates from the position of "You belong to me, and I will help your career. Therefore, I expect you to be loyal to me. But woe betide you if you are not willing to adapt to my demands".
- ▶ Opportunist - uses all styles in various situations for personal gain, such as promotion or salary increase.

The benefit of the management grid lies in its two-dimensional concept. The grid allows a more comprehensive answer to the question: "What is effective leadership?" The management grid is used to train managers, because a leader in the position (1,9) or (9,1) can gradually adopt the behavior that managers in the position (9, 9). The benefit of the management grid in leadership theory is the belief in the possibility of improving the leadership style of individual managers. The leader should choose neither a strictly autocratic nor a democratic style but should be flexible enough to deal with different situations.<sup>26</sup>

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<sup>26</sup> JANUSKA, J., 2020. *Leadership Styles in Management*. [online] published September, 2020, [cited July, 2024]. Available at: <https://www.euroekonom.sk/styly-vedenia-v-manazmente/>

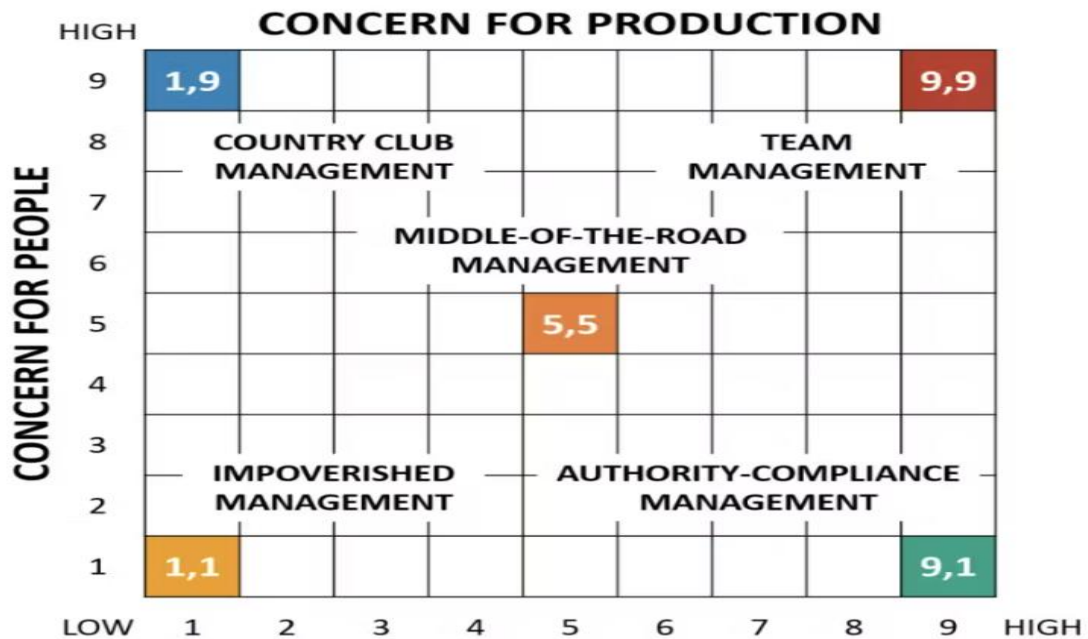


Figure 5: Management Grid<sup>27</sup>

### 1.11.1.3 Authoritative Style

When applying the autocratic style, high demands are placed on the manager for the assigned tasks, and the manager's focus on people is almost not considered. In the eyes of the manager, it is the employees who are to blame for failure to fulfill given tasks. This type of style has a very depressing effect on people, because employees are under the influence of huge pressure from the superior and do not work efficiently enough. They are exposed to high stress situations.

Every wrong step that leads to the failure to meet the expected work results is considered by the authoritative boss as a failure to meet the set goals of the organization. The tension among employees is also largely influenced by negative motivation, which is most often carried out by various types of punishments, even in some cases by sanctions. Since communication in the workplace is one-way, employees often do not dare to express their opinion under the threat of penalties and sanctions.

This type of style is suitable in crisis situations, when a strong and unambiguous approach and clear instructions for employees are needed. It is often applied in the environment of people with a lower level of education suffering from

<sup>27</sup> KENTON, W., 2020. *Leadership Grid*. [online] published July, 2020, [cited August, 2024]. Available at: <https://thedeclaration.com/reference-guide/management/leadership-grid>

insecurity. That is when a detailed procedure for carrying out individual activities in the organization is very important. It is also suitable for beginners.

#### **1.11.1.4 Liberal Style**

Employees led by a liberal leader get along with their leader as friends, subordinates can make decisions that they consider important, all decisions are right for him. The manager of the subordinates familiarizes them with what needs to be done, does not specify in detail how the work needs to be done, does not supervise the performance, which leads to reduced work productivity. This type of style is rarely successful because the manager is neither focused on fulfilling the organization's mission nor people-oriented, so teams led by liberal leaders often fall apart because there is no authority watching over them.

The negatives of the liberal style are the creation of ideologically separated groups, the promotion of personal interests and goals, non-fulfillment of tasks and deficiencies in the functioning of the workplace, even complete anarchy. Sometimes there are also situations where it is necessary and necessary to use an autocratic style.

#### **1.11.1.5 Democratic Style**

The manager places great emphasis on building relationships in the company and on fulfilling the tasks of the organization. Employees in the organization are properly motivated, especially through involvement, they don't have to be afraid to express their opinion. A democratic boss listens to their opinions, considers them and often uses them in the process of leading people. It supports the activity of employees, they can express themselves to the fullest and develop their talents, it pays attention to the principle of individuality.

The result of the democratic leader's work is an excellent working climate, workers enjoy going to work because there is trust and good interpersonal relations between them. The friendly atmosphere created at the workplace leads to increased work productivity also due to the fact that the manager supervises the activity in the main phases of task performance. Since workers are optimally controlled, subordinates in the organization perform their duties better.



The disadvantage of this style is that it takes time to reach consensus and plan. In the end, it is often the most successful of all styles, because it awakens a strong motivation for cooperation and allows for the effective use of the abilities of many of the group members.

## **1.12 MANAGERS AND LEADERS**

**Leader** is a term that is associated with exclusivity, charisma, visionaryness, and the ability to inspire others.

A good leader values every employee and knows how to show it. He can motivate, inspire and ignite people for a common vision and mission. A good leader is part of a team, he doesn't just manage the company from his office chair. He meets people, communicates openly with them.

The main difference between leadership and management is the primary area of focus — while managers focus on organizing and maintaining a well-functioning system, leadership focuses on inspiring, motivating, and spearheading change.

Overall, there are 11 key differences between management and leadership that fall into 1 of the 3 categories listed above, and they are:

1. **People vs Things:** Leaders focus on people, while managers focus on tasks or things.
2. **Vision vs Execution:** Leaders create an idea and managers execute it.
3. **Creating ideas vs Maintaining a system:** Leaders develop ideas, while managers maintain a system.
4. **Aligning vs Organizing:** Leaders align people and managers coordinate and organize them.
5. **Culture vs Day-to-day:** Leaders shape the workplace culture, while managers shape the day-to-day.
6. **Future vs Present:** Leaders look into the future, while managers focus on the present.
7. **Driving vs Implementation:** Leaders drive change, while managers implement it.
8. **What and Why vs How and When:** Leaders ask *What* and *Why*, while managers ask *How* and *When*.

9. **Strategies vs Plans:** Leaders make strategies, while managers make plans.
10. **Influence vs Authority:** Leaders have influence, while managers exercise authority.
11. **Quality vs Position:** Leadership is a quality; management is a position.

Leaders	Managers
<ul style="list-style-type: none"> <li>● Focus on people</li> <li>● Develop a vision</li> <li>● Create ideas</li> <li>● Align people</li> <li>● Shape the culture</li> <li>● Look into the future</li> <li>● Drive change</li> <li>● Ask What and Why</li> <li>● Make strategies</li> <li>● Have influence</li> <li>● Quality</li> </ul>	<ul style="list-style-type: none"> <li>● Focus on tasks</li> <li>● Execute the vision</li> <li>● Maintain a system</li> <li>● Coordinate people</li> <li>● Shape the day-to-day</li> <li>● Focus on the present</li> <li>● Implement change</li> <li>● Ask How and When</li> <li>● Make plans</li> <li>● Exercise authority</li> <li>● Position</li> </ul>

*Figure 6: Comparison of Manager and Leader<sup>28</sup>*

*1 Leaders focus on people, while managers focus on tasks or things*

According to one Zippia research, only 10 % of people are natural leaders. But what separates that 10% from everyone else?

One of the first things that comes to mind when thinking about management vs leadership is the **difference in the approach to people**.

Although both leaders and managers try to build trust in their teams, leaders are more people-focused than managers who, in turn, tend to focus more on tasks and the organizational aspect of team communication.

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<sup>28</sup> PEJATOVIC, B., 2023. *Leadership vs Management: 11 Fundamental Differences*. [online] published December, 2023, [cited September, 2024]. Available at: <https://pumble.com/blog/leadership-vs-management/>

## *2 Leaders create a vision and managers execute it*

No matter which leadership style a leader subscribes to, their primary responsibility is to **develop a vision for a company** and use their communication skills to communicate that vision in an inspiring, motivating, and effective way.

Managers, on the other hand, are an integral part of making that vision a reality. They are the ones who will ensure that all the pieces come together to **execute the leader's vision**.

## *3 Leaders develop ideas while managers maintain a system*

All leaders tend to keep an eye on the final goal — their vision. However, they also tend to focus on inspiring their employees to achieve that goal by any means necessary.

That means that leaders tend to inspire and encourage people to:

- Think outside the box,
- Be engaged and innovative, and
- Come up with creative solutions by cooperating with their team members.

So, they inspire people to challenge themselves and the system.

Meanwhile, **managers tend to thrive within the system**. They maintain the status quo — not in a bad way, of course. Managers ensure that the team is performing at its optimal level and implement the decisions made by the leaders.

## *4 Leaders align people, while managers coordinate and organize them*

Influencing people is a key skill of all leaders.

For example, transformational leaders influence the way people behave by fostering independence and improving performance in the workplace, while servant leaders create a positive work environment thus influencing people's relationship to their job and company.

Either way, the leaders influence people's:

- Behavior,
- Thoughts, and
- Engagement.

By influencing people, they ensure they are aligned with the main vision as well as company goals.

Meanwhile, managers coordinate and organize employees. They focus on the organizational details like allocating resources, coordinating teams, and measuring collaborative efforts to ensure everyone is pulling in the same direction.

Of course, managers also play a part in employee engagement — according to Gallup, they are responsible for 70% of the variance in employee engagement.

#### *5 Leaders shape the workplace culture, while managers shape the day-to-day*

So, since managers are in charge of maintaining protocols, measuring and improving effectiveness, and administering decisions, they are quite focused on the day-to-day operations.

They are often solely concerned with day-to-day operations and shape them to achieve optimal results.

Meanwhile, **leaders tend to be more concerned with the company culture.**

They infuse beliefs and values into the corporate system too:

- Foster a positive, inclusive culture,
- Determine how the organization should function, and
- Direct how and in which manner the company goals will be achieved.

In other words, leaders set the tone. They are role models who showcase what behaviors, and which mindsets are welcomed in the company, and which aren't.

So, it's important that the tone the leaders set is positive. Of course, once a leader has set the tone, **it's up to the managers to uphold that tone on a day-to-day basis.** So, leaders establish a culture, while managers endorse and support it.

#### *6 Leaders look into the future, while managers focus on the present*

Leaders are notoriously future-oriented. It is one of the staples of leadership communication that **leaders are always forward-thinking and talking about future plans.**

Being able to have some foresight about future events and align the company goals along with that foresight is a skill most leaders have (or aspire to have) because it allows them to see the big picture and always keep it in mind, as Mason noted.

Although looking into the future is a necessity for the success of any company, **focusing on the present — something that managers can do — is equally important.**

#### *7 Leaders drive change, while managers implement it*

Leaders are notorious risk takers. They seek, motivate, and drive change in their organizations, and empower employees to take risks as well. As our contributor Orbinati put it, **change is a necessary part of leadership.**

Strategic risk-taking is a vital part of visionary leadership and other leadership styles. A good leader will always try to find ways the organization can change for the better — which is why they will encourage others to seek innovative solutions, new approaches, and novel ideas.

Managers, on the other hand, prefer stability to change. As mentioned, they maintain the status quo. However, that doesn't mean managers don't have a role when it comes to change.

They implement it.

Changing an organization's processes, goals, objectives, or vision affects a lot of things. A change that big needs to be followed by adjustments in the system — scheduling, task organization, allocating resources, staffing, etc.

#### *8 Leaders ask What and Why, while managers ask How and When*

The difference between leadership and management runs so deep that even the questions that leaders ask themselves are different from the ones managers ask themselves.

While leaders question everything and, as mentioned, challenge the status quo, they ask questions like *What* and *Why*. Meanwhile, managers ask questions like *How* and *When*.

This perfectly reflects the previous differences between leadership and management because **while the future-oriented, vision-driven leaders strive to change things, present-focused, task-oriented managers ask themselves how and when they could implement the changes** leaders advocate for.

#### *9 Leaders make strategies, while managers make plans*

Strategizing and strategic thinking are skills that both managers and leaders excel at.

However, as mentioned, leaders are often more capable of looking into the future than managers are. Even a hands-off or a laissez-faire leader will have a strategy in place.

Leaders' strategies are often more further-reaching and all-encompassing than those made by managers because managers make *plans* that are a smaller but significant part of leaders' strategies.

#### *10 Leaders have influence, while managers exercise authority*

So far, we've covered a lot of differences in our "Manager vs Leader" guide. However, the **most notable one, at least for people working under them, is how they lead.**

Namely, **leaders lead through influence.**

Leading through influence means leaders:

- Build trust in their teams by showing people they can lean on them,
- Lead with empathy and show genuine concern about other people's well-being, goals, and aspirations, and
- Use respectful communication with their employees.

What's more, leaders use emotional intelligence and charisma (and quite a few persuasive techniques) to get what they need — their employees to rally behind them and align with the vision.

#### **Managers, on the other hand, lead by exercising authority.**

Now, that's not to say that people in managerial positions aren't just as charismatic (or persuasive) as those in leadership roles. However, managers do tend to utilize organizational hierarchy and rules to maintain the system in place.

#### *11 Leadership is a quality, management is a position*

Finally, the last difference between leadership and manager, and perhaps the most important one, is that **being a leader means having a specific quality, while being a manager means occupying a specific position.**

If you have a knack for leadership, you will be perceived as a leader. People might even naturally flock to you or look to you for solutions, even if you don't have a leadership position.

Meanwhile, you're either a manager or you aren't — because being a manager means having a specific position.

Of course, **managers can also have various leadership qualities**, as one doesn't exclude the other.<sup>29</sup>

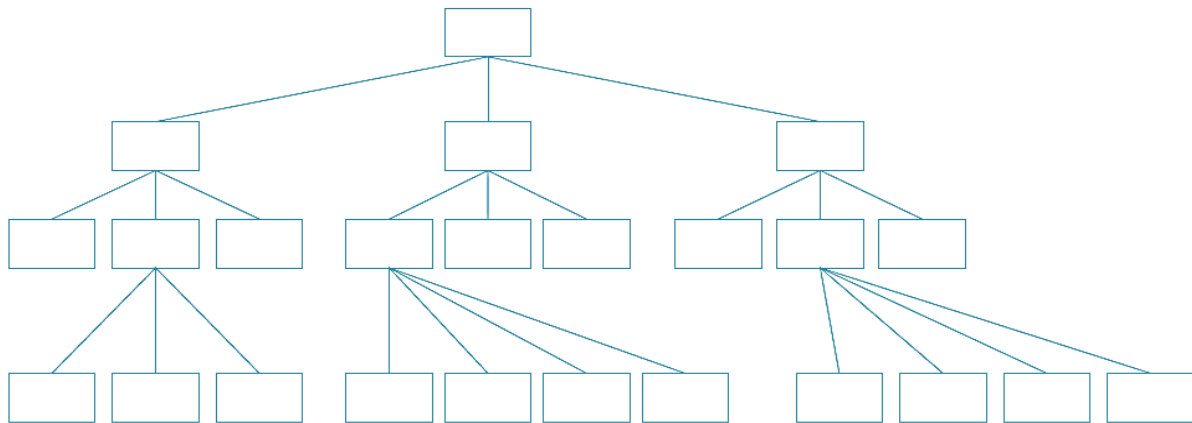
### **1.12.1 Types of Managers**

Managers function in a number of roles including leading, sharing information, and making decisions. How often they play a particular role depends on the level they occupy and the type of organization. We'll talk about the differences between top managers, middle managers, first-line managers, and team leaders.

**Vertical management**, also called top-down management, refers to the various levels of management within an organization. Managers at different levels are free to focus on different aspects of the business, from strategic thinking to communicating information to operational efficiency. During the nineteenth century and much of the twentieth century, vertical management was highly structured with many layers of management (as depicted by a pyramid). In industries where processes and conditions are stable and where ongoing innovation is less critical, the vertical structure of management can still be very efficient. Workers in labor-intensive industries such as manufacturing, transportation, and construction need to follow established procedures and meet specific goals. Everyone knows who is in charge and assumes the job they do today will be the same next year or in five years.

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<sup>29</sup> PEJATOVIC, B., 2023. *Leadership vs Management: 11 Fundamental Differences*. [online] published December, 2023, [cited September, 2024]. Available at: <https://pumble.com/blog/leadership-vs-management/>



*Figure 7 Diagram of a Steep Organizational Structure*

A main disadvantage of vertical management is that it limits information flow from the lower levels of the organization to the upper levels (like water, information flows downhill easily). Without easy two-way communication, top management can become isolated and out of touch with how its plans affect core processes in the organization. It also fosters vertical thinking. Vertical thinking refers to using traditional and recognized methods to solve particular problems. It is the opposite of “thinking outside of the box.” The digital age exposed the shortcomings of management that addressed problems in formal or bureaucratic approaches at the expense of creativity and innovation. Today, many organizations use “flatter” structures, with fewer levels between the company’s chief executives and the employee base. Most organizations, however, still have four basic levels of management: top, middle, first line, and team leaders.

#### **1.12.1.1 Top-Level Managers**

As you would expect, top-level managers (or top managers) are the “bosses” of the organization. They have titles such as chief executive officer (CEO), chief operations officer (COO), chief marketing officer (CMO), chief technology officer (CTO), and chief financial officer (CFO). A new executive position known as the chief compliance officer (CCO) is showing up on many organizational charts in response to the demands of the government to comply with complex rules and regulations. Depending on the size and type of organization, executive vice presidents and division heads would also be part of the top management team. The relative importance of these positions varies according to the type of organization they head. For example, in a pharmaceutical firm, the CCO may report directly to the CEO or to the board of directors.



Top managers are ultimately responsible for the long-term success of the organization. They set long-term goals and define strategies to achieve them. They pay careful attention to the external environment of the organization: the economy, proposals for laws that would affect profits, stakeholder demands, and consumer and public relations. They will make the decisions that affect the whole company such as financial investments, mergers and acquisitions, partnerships and strategic alliances, and changes to the brand or product line of the organization.

1. **Data Analytics:** Top-level managers rely on advanced data analytics tools to gather insights into market trends, consumer behavior, and competitive intelligence. These insights inform strategic decisions.
2. **Communication Platforms:** Technology enables seamless communication with stakeholders, including board members, investors, and employees, irrespective of geographical location.
3. **Strategic Planning Software:** Specialized software helps create and simulate strategic plans, making assessing different scenarios and their potential impact easier.<sup>30</sup>

### 1.12.1.2 Middle Managers

Top managers are ultimately responsible for the long-term success of the organization. They set long-term goals and define strategies to achieve them. They pay careful attention to the external environment of the organization: the economy, proposals for laws that would affect profits, stakeholder demands, and consumer and public relations. They will make decisions that affect the whole company such as financial investments, mergers and acquisitions, partnerships and strategic alliances, and changes to the brand or product line of the organization.

Middle managers must be good communicators because they link line managers and top-level management.

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<sup>30</sup> Available at: <https://auroratrainingadvantage.com/articles/organization-management-levels/>

1. **Project Management Tools:** Middle managers often use project management software to allocate resources, track progress, and ensure that departmental objectives align with the organization's strategic goals.
2. **Collaboration Software:** These tools facilitate team collaboration, document sharing, and real-time communication, streamlining operations and improving efficiency.
3. **Performance Metrics and Dashboards:** Technology allows middle managers to access real-time performance metrics, enabling data-driven decision-making and quick strategy adjustments.<sup>31</sup>

### 1.12.1.3 First-Line Managers

The first-line, or front-line managers are the entry level of management, the individuals “on the line” and in the closest contact with the workers. They are directly responsible for making sure that organizational objectives and plans are implemented effectively. They may be called assistant managers, shift managers, foremen, section chiefs, or office managers. First-line managers are focused almost exclusively on the internal issues of the organization and are the first to see problems with the operation of the business, such as untrained labor, poor quality materials, machinery breakdowns, or new procedures that slow down production. It is essential that they communicate regularly with middle management.

1. **Scheduling and Workforce Management Software:** Front-line managers use scheduling software to optimize work shifts, manage employee schedules, and ensure staffing levels meet operational needs.
2. **Quality Control Systems:** Technology-driven quality control systems help monitor and maintain product or service quality daily.
3. **Employee Feedback Apps:** Managers can gather feedback using mobile apps or online surveys, fostering continuous improvement and engagement.

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<sup>31</sup> Available at: <https://auroratrainingadvantage.com/articles/organization-management-levels/>

#### 1.12.1.4 Team Leaders

A team leader is a special kind of manager who may be appointed to manage a particular task or activity. The team leader reports to a first-line or middle manager. Responsibilities of the team leader include developing timelines, making specific work assignments, providing training needed to team members, communicating clear instructions, and generally ensuring that the team is operating at peak efficiency. Once the task is complete, the team leader position may be eliminated, and a new team may be formed to complete a different task.



Figure 8: Levels of Management<sup>32</sup>

All managers must be comfortable with three main types of activities or roles. To do their jobs, managers assume these different roles. No manager stays in any one role all of the time but shifts back and forth. These roles are leadership (or interpersonal), informational, and decision making.

Which type of manager spends more time in leadership activities? The short answer is that all effective managers display leadership characteristics. Leadership is the ability to communicate a vision and inspire people to embrace

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<sup>32</sup> MAHR, N., 2023. *Mintzberg's Managerial Roles*. [online] published November, 2023, [cited September, 2024]. Available at: <https://study.com/academy/lesson/henry-mintzbergs-managerial-roles.html?srltid=AfmBOogdqtp8Nkl5VvtCUNcH2bS7MbuiY9qgOpwpiiwA4CrrlleHFeI8>

that vision. They are the public face of the management team and represent the business in legal, economic, and social forums.

Middle managers are also leaders, although their focus may be more on **interpersonal** skills, such as motivating employees, negotiating salaries, and encouraging innovation and creativity.

First-line managers lead both by example when they actively participate in the tasks assigned to their workers and by modeling the policies and work ethics of the organization.

Informational roles involve the receiving and sending of information—whether as a spokesperson, a mentor, a trainer, or an administrator. A top manager is the voice of the organization and must be aware that even personal opinions will reflect (for better or worse) on the business. With the free flow of information on the Internet, it is very difficult for top managers to separate their personal identities from their corporate positions.

Middle managers must skillfully determine what information from top management should be shared with others, how it should be interpreted, and how it should be presented.

The informational role for first-line managers is primarily one of disseminating what they have been given and helping the employees to see how their own contributions further organizational goals. They have a responsibility to see that the employees understand what they need to be successful in their jobs.

All managers are required to make decisions, but managers at different levels make different kinds of decisions. According to Mintzberg, there are four primary roles of management decision roles. These include the following:

- **Entrepreneur.** The entrepreneurs in a firm are usually top-level managers. They identify economic opportunities, lead the initiative for change, and make product decisions.
- **Disturbance handler.** Top and middle managers will react to disturbances (unexpected events) in the organization—whether internal or external. They will decide what corrective actions should be taken to resolve the problems.
- **Resource allocator.** All levels of management will make resource allocation decisions, depending upon whether the decision affects the entire organization, a single department, or a particular task or activity.

- **Negotiator.** Depending on the effect on the organization, most negotiation is done by top and middle-level managers. Top managers will handle negotiations that affect the entire organization, such as union contracts or trade agreements. Middle-level managers negotiate most salary and hiring decisions.<sup>33</sup>

### **1.13 INTERPLAY OF DIFFERENT LEVELS OF MANAGEMENT**

All levels of management should ensure their teams have the right goals to align with organizational strategy, and they need to train and develop their people for optimal performance. When, for example, senior management doesn't develop their staff, this habit of omission is picked up by the other levels in a cascade effect.

In addition, all levels of management must provide the right guidance and create a healthy, motivating work environment. When management doesn't do even one of these things, it has a domino effect and creates a negative impact on team effectiveness. Likewise, if different levels of management and their direct reports don't interact and collaborate with one another, they can easily become misaligned, and organizational objectives will suffer because of that misalignment. Clear and effective communication across all levels is essential for successful organizational operation, so that information sharing and decision-making across levels are aligned and everyone is on the same page.

#### **How Management Can Vary in Different Types of Organizations**

Levels of management might vary in different types of organizations (e.g., startups, nonprofits, large corporations, etc.) due to staffing levels, type of industry, organizational culture, and other factors. In large organizations, roles may be more defined and stratified, whereas in a startup, people may have to play multiple roles. Senior staff might be called upon to do frontline work, for example. Then, as the organization starts to grow, it can be a challenge to stay in one's own lane.

#### **The Evolution of Levels of Management in the Modern Workplace**

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<sup>33</sup> Available at: <https://courses.lumenlearning.com/wmopen-principlesofmanagement/chapter/types-of-managers-and-their-roles/#footnote-107-3>

Levels of management have evolved with modern business practices, and a major influence of that evolution is technology. Digital transformation, as well as the growing trends toward remote and hybrid work, are reshaping the way managers and workers interact and perform everyday job duties.

One challenge for managers when it comes to remote work is a loss of control—they have less inherent opportunities to manage employees' use of time or their behavior. They can only effectively manage their goals and how well they achieve them. Also, it's harder to build relationships with people when you don't see them informally (beyond meetings, for example), so managers must be more mindful about going out of their way to have informal interactions with their people. With remote and hybrid work, managers need to manage outcomes and make a mindful attempt to over-communicate with team members.

The advent of Artificial Intelligence (AI) is already reshaping how work gets done in organizations, and since that technology continues to evolve, with little or no governmental control at present to influence how it is implemented, it remains to be seen from company to company and industry to industry how AI will affect operations in specific detail. Therefore, every business needs to become more aware of the potential implications AI will have on their operations and develop an action plan to respond to it as the time comes.

### **What Well-Structured Levels of Management Impact Organizational Success**

Organizations of all sizes must have a thorough understanding of the roles and responsibilities of senior management, middle management, and frontline management, how they may need to act independently, and how they may need to interact across levels.

The boundaries of each level must be respected, but interdependency is also crucial. In this way, roles and responsibilities are less likely to blur, are more likely to be executed by the right people, and the organization can maintain consistent efficiency and effectiveness.<sup>34</sup>

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<sup>34</sup> AMA, 2023. *Common Levels of Management in Organizations*. [online] published October, 2023, [cited September, 2024]. Available at: <https://www.amanet.org/articles/common-levels-of-management-in-organizations/>

## 2 LEADERSHIP

**Leadership** represents one of the basic managerial functions used by a manager in the performance of his activities. The art of being a manager consists in arising the attention, interest, taste, or willingness of employees to engage in activities that lead to the fulfillment of the goals set of the company.<sup>35</sup>

People management is basically the manager's ability to influence other employees (especially his subordinates) so that their actions lead to the fulfillment of the set goal, or goals.

People management is sometimes mistakenly equated with management. Management is a much broader term than leadership. Leadership is its part, one of the basic components of managerial functions. As part of management, managers must plan, organize, control, but also lead people with a focus on business goals.

Currently, a distinction is made between the usual functional management of co-workers

(managementship) and its creative version "leadership".

*Basic elements of leadership:*

1. the ability to use power effectively and responsibly,
2. the ability to understand and responsibly use power,
3. the ability to inspire,
4. the ability to act in a way that contributes to the development of a favorable and motivating environment.

Influencing in this case includes guidance and persuasion workers, as well as appropriate stimulation and motivation to perform quality work, which should subsequently lead to the achievement of the desired goals. In fact, leadership represents a certain process of interaction between one person and another. Leadership theories and leadership styles assume that an effective leader possesses typical personality traits that predispose him to the performance of tasks.

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<sup>35</sup> MIKUŠ, P. – DROPPA, M., 2010. *Management Basics*. Ružomberok : VERBUM, 2010. 261 pp. ISBN 978-80 8084-622-0. p. 177.

The condition of the work performed by the manager is mastering activities such as setting goals, organizing work, motivating and ensuring communication, measuring and evaluating work results and based on them, fair evaluation and remuneration of workers, ensuring the qualification development of workers, which is aimed at professional training, development and integrity workers.

The manager does his job, it is his profession and profession. To be able to perform his work successfully, he must have power, influence and authority.

For him, power means the ability to influence subordinates and the environment. It represents a means by which a manager can get a group or individuals to do or create something.

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## **2.1 POWER AND ITS BASIC TYPES**

**Power** can be defined as the ability of an individual to make an individual do something that they would not otherwise do. Power is not the same as authority,



which is given by position in the organizational hierarchy. The source of a manager's power is expertise, personal connections, ownership and the ability to rule. Expertise is a combination of education, talent and experience. Power is the ability to influence others. It is a means by which a leader can make his subordinate do something or think something. It is the ability not only of an individual, but also of the whole group.<sup>36</sup>

There are these basic types of powers:

- **The power to reward** ..... flows from the belief of others that the manager can reward them for the desired behavior.
- **The power to coerce** ..... stems from the belief of others that the manager is able to punish their behavior if it is not in accordance with the required standards.
- **Referential power** ..... power derived from the belief that the manager has the right qualities.
- **Legitimate power** ..... the belief of others that the manager is authorized to issue orders.
- **Expert orders** ..... belief that the manager has such abilities that authorize him to lead others.
- **Informational power** ..... convincing others that the manager has access to information that is not normally public.
- **The power of contact** ..... flows from the belief of others that the manager is closely connected with other influential people who can be beneficial for the achievement of goals.
- **Group power** ..... the ability of a manager to use his influence based on the belief of subordinates that this manager has general collective support.

A manager can gain his power in four ways:

1. *From resources* - he is responsible for distributing resources for the members of the group he manages
2. *From the position* - in the management hierarchy, he occupies a qualitatively higher level than his subordinate
3. *From the personality* - his personality qualities are at a higher level than the personality qualities of the other members of the group

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<sup>36</sup> GREENE, R., 2021. 48 *Laws of Power*. Bratislava: EUGENIKA, 2021. 219 pp. ISBN 978-80-810-0660-9.

4. *From expertise.* His knowledge is at such a level that it exceeds slightly or even more the level of knowledge of individuals.

### **2.1.1 Power vs. Authority**

**Authority** typically represents the right (or rights) of the worker to enjoy freedom of decision. Authority should be clearly defined in the job description.<sup>37</sup> Authority is not power; it is a right arising from a functional position.

Sources of power:

- **Remuneration:** based on a specific person's control over resources, the ability to increase salary and decide on promotion.
- **Coercion:** the source is the ability to punish or reward, to use a position to force them to perform some action.
- **Legitimacy:** it is the power that is exercised in accordance with the rules applicable to the given organization.
- **Referent:** it depends on the personal charisma of the individual; interpersonal relations are a source of power for such a person.
- **Expert:** power derived from knowledge, based on recognition of the expert knowledge of another.
- **Information:** this is information that helps predict future behavior or future events.

For him, authority means the right to exercise power over the actions of others. It can be formal, resulting from the function of the manager or informal resulting from the personality of the manager. In the context of an organization, a manager is expected to obtain resources for his group, protect it from unwanted interference, promote its interests, and lead it in a directive or participative style towards set goals.

He is not expected to sacrifice everything in favor of a higher interest without the consent of the group, or carried out activities that are not related to the work of the group or could endanger the effective work of the group.

## **2.2 LEADERSHIP STYLES**

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<sup>37</sup> Available at: <https://managementmania.com/sk/pravomoc>

The management of people mainly concerns mutual relations of superiority and subordination, cooperation, etc. It is considered the basic content of the work of managers of all levels. It should be such that people work with enthusiasm, in the interest of the whole. It includes ways of directly and indirectly directing the behavior of subordinate workers so that they perform assigned tasks effectively and on time. Direct methods can do this be orders, instructions, norms and principles of technological discipline.<sup>38</sup>

Indirect methods can be methods of tangible and intangible stimulation, various forms of motivation and indirect recommendations (communication, motivation, coordination).

An inseparable part of the management of people is also their coordination, by which we understand the agreement and harmonization of the actions of the members of the organization, as well as the preparation of the division of labor in the created workplaces about the goals and purpose of the organization.

From the point of view of people management, the most important are:

- ▶ Intelligence, sound judgment and verbal skills.
- ▶ Required qualification and physical performance.
- ▶ Social maturity and stability.
- ▶ Independence, perseverance and gradual increase in performance.
- ▶ Social skills and adapting to different groups.
- ▶ Desire for social status and socio-economic position of the company.

The leadership style represents the leader's way of behaving, with which he uses and applies his powers in the management of human resources:

When promoting different styles, you must be flexible and based on the given situation.

Other styles are suitable for normal situations, others for a crisis. There are also leadership theories that are based on behavior and characterize it accordingly.

These are the following main theories of styles:

- ▶ leadership styles based on the use of authority, or classic leadership styles,
- ▶ Likert leadership styles (systems),

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<sup>38</sup> POHLUDKA, M., 2018. *How to Master the Job of Manager*. Praha: MARMER MEDIA. 2018. 272 pp. ISBN 978-80-270 3105-4.

► leadership styles based on the management grid (matrix).

### **2.2.1 Classical Styles of Leadership**

**Authoritative style** - power and decision-making are concentrated in the hands leader, the leader assigns precisely defined tasks to people, communication is one-way from top to bottom. The advantage is the achievement of regular and high performance of workers, the disadvantage is the suppression of individual motivation and initiative.

Autocratic style (autocracy - self-government, unlimited power of an individual) is mostly a manifestation of those superiors who use their leadership style to cover up deficiencies in their experience and abilities. An autocratic style is appropriate to use if you need to make decisions immediately and mobilize all resources. In these cases, it is acceptable.

**Democratic style** - characterized by the fact that the leader delegates a significant part of his authority but retains his responsibility for final decisions. Communication is two-way. The advantage is the personal passion of the workers who take part in decision-making, the disadvantage is the considerable loss of time that results from the democratic management.

A pure democratic leadership style expresses a high share of the collective in decision-making.

The democratic style of leading people presupposes a certain professional, cultural and social level of team members.

**Participative style** better expresses the participation of individuals and collectives in management, as well as the opportunity to share their opinions and innovations in it. The work is assigned based on the participatory decision of the group.

**Laissez-faire style** - where the leader leaves the management of the work entirely to his workers and leaves his authority to the group. The group decides on its own the division and progress of the work. Communication is mainly

horizontal between individual members of the group. The advantage is that the workers can do things their way and the manager does not interfere. However, the disadvantage may be different execution tasks when the part of the executive is needed.

It is a style of economic liberalism demanding the free play of economic entities without any interference. In essence, it expresses the request of subordinates to the leader not to interfere with their activities.

A goal-oriented leadership style is a combination of autocratic and democratic style. The essence is that every collective and every individual has a determined goal, which is derived from corporate goals and corresponds to the capabilities of the collective or individual. The means, forms and ways of achieving goals are left to the collective or individual to choose.

Another criterion according to which executives differ from each other is the way they acquire and process the necessary information and what is the nature of that information.

This criterion can be called an information profile. Managers with similar or the same information profile are attracted to each other by the rules.

Executives often exercise their power and often exert pressure on others by demanding a specific information profile from them. For example, the leader, whose information profile is focused on operational information about the fulfillment of the production plan, requires information of a similar type from those around him. He tries to reorient workers with an information profile focused on conceptual information or does not communicate with them. Some managers can be seen as undefeated information profiles.

A manager must be a good negotiator and leader. The weakness of some managers is excessive individualism, lack of interest in co-workers, lack of tact when arguing or indecisiveness. The manager should have a dominant position and should be able to make decisions, argue correctly and deal with people.

A good manager should know how to control his power, he should know how to motivate his employees to give the best possible performance.

A good manager should also be a psychologist. He should be able to help in crisis situations, have creative ideas, but also be disciplined and set an example for his employees. Another important quality of a manager is the **ability to empathize**. He should be able to empathize with the position of the other, be able to estimate his needs.

### ***Likert styles (systems) of leadership***

The classification of people's leadership styles, developed by Rensis Likert based on the study of managers for almost three decades, is very popular. He assumed the existence of four styles, or people management systems. These are the following styles:

**System 1 - exploitative-authoritarian** - leaders are highly authoritative and have little trust in subordinates. Decision-making takes place exclusively at the top of the organization. Communication takes place in the form of top-down commands. Motivation is conditioned by fear and stress and only exceptionally by rewards.

**System 2 - benevolent-authoritarian** - the authoritative component is dominant, but some decision-making powers are already delegated. Some bottom-up communication is allowed because the leader is interested in some of the subordinates' ideas and opinions. It is motivated by rewards, but also by fear and stress. With delegated powers, there is a strong control.

**System 3 - consultative leadership style** - leaders largely trust subordinates, but not completely. They usually try to use their ideas and thoughts.

Basic decisions are at the top level, specific decisions are delegated to lower organizational levels of the organization. Rewards are used to motivate, or penalties as well as certain complicity. The control is selective.

**System 4. - participative-group style** of leadership - the leader fully or largely trusts subordinates. This is reflected in the provision of extensive autonomy in decision-making processes to lower organizational levels. Two-way communication is encouraged, which is often used to prepare important decisions. Communication takes place with each other and between managers.

It is economically motivated based on participation in a joint activity, i.e. j. on setting goals and on their fulfillment. The control is selective.<sup>39</sup>

Each of the listed styles is a special type with characteristic manifestations and differs from other styles. According to the "managerial grid", each leader uses one main style, then an auxiliary style, or even a combination of leadership styles. After that, it can be classified as not one, or two, but on 6 different scales. From this we can see that his main style can be, for example, authority, obedience, his auxiliary style is compromising leadership and in certain circumstances he uses a team style and a paternalistic style.



Figure 9: Expectations towards the superior when performing a task<sup>40</sup>

Remember that when deciding which leadership style to use, it will depend largely on the type of company, business objectives, the workers you have, and the kind of relationship you want to have with them.

### 2.3 ETHICAL LEADERSHIP

Corporate social responsibility has become something of a buzz word in business. So, what does it mean for a company to be socially responsible in its day-to-day

<sup>39</sup> HUDAKOVA, I., 2010. *Style of Leading People in a Manager's Work*. [online] published March, 2010, [cited September, 2024]. Available at: [Daňové centrum - Štýl vedenia ľudí v práci manažéra - faktor zvyšovania konkurencieschopnosti v podniku \(Ako sa stať úspešným manažérom?\)](https://www.danovecentrum.sk/daňové-centrum-štyl-vedenia-luďi-v-práci-manažéra-faktor-zvyšovania-konkurencieschopnosti-v-podniku-ako-sa-stať-úspešným-manažérom/)

<sup>40</sup> Available at: <https://isprox.com/en/16-leadership-styles-which-one-most-effective/>

activities? Well, a culture of social responsibility and ethical leadership sets the tone for productivity and helps the business to engage with the real-life concerns of its employees, customers and other stakeholders.

### **2.3.1 Corporate Governance**

Corporate social responsibility and ethical leadership go beyond merely managing the mundane tasks of the company. As a holistic concept, corporate governance is concerned with how the company ensures that all its policies and processes are ethically sound. For example, many companies employ an external auditor to review their financial situation and to provide advice on communicating sensitive information to the public. Likewise, legal consultants provide companies with information on ethical HR practices and customer focus groups keep the business engaged with consumer wants and needs. Corporate governance is therefore about remaining responsible not only to the profit-generating motive of the company but also to its commitment to engage in fair practices, not exploiting people or the environment for unnecessary gains.

### **2.3.2 Stakeholder Engagement**

A commitment to engaging directly with customers, employees, the community and other stakeholders is the hallmark of ethical business. Stakeholder groups value consistency and transparency, so organizations do well to put their best foot forward in communicating with those who matter most. This might take the form of an annual report for stockholders, an open-door policy for employees or a social media account where customers can leave feedback. Essentially, all levels of management should be on board with the stakeholder engagement process, from the front-line customer service manager through to the business owner and CEO.

### **2.3.3 Distinguishing Leadership from Management**

An important component of corporate social responsibility beyond stakeholder engagement is cultivating leaders within the organization. While all managers can be leaders, not all managers are leaders. Leadership involves commitment beyond managing routine tasks. Leaders are accountable, respectful, consistent



in their approach and open to communication. Coupling solid management skills with these leadership traits helps companies to maintain a climate of social responsibility and ethics by enacting a tacit organization-wide code of fairness and respect for others.

#### **2.3.4 Managing Risk**

Ethical leaders look to the risk management aspects of corporate social responsibility as one of their main priorities. Managing risk is all about keeping the company's reputation and fiscal health in check. The old saying that it takes years to build a reputation and mere hours to destroy it is more or less an accurate way of thinking about risk management and CSR. Ethical practices such as responsible accounting, staving off negative media attention, keeping the company and its leaders out of legal trouble and honoring contracts help build a genuine culture of risk aversion and moreover promote a socially responsible organization.<sup>41</sup>

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<sup>41</sup> Available at: <http://smallbusiness.chron.com/corporate-social-responsibility-ethical-leadership-64123.html>

### **3 MOTIVATION**

The process of stimulating and inspiring people at work to contribute to the best of their capability for the achievement of organisational objectives is known as **Motivation**.

Motivation is the inner psychological force that activates and compels a person to behave in a particular manner. It is a process of inductive individual desire towards a goal. Human beings derive satisfaction when the goal is achieved. Both financial and non-financial factors motivate employees in the organization.

**Motivation** means a process of stimulating people to action to accomplish desired goal<sup>42</sup>

#### **3.1 REASON FOR MOTIVATION**

To achieve the goals effectively and efficiently, every manager has a responsibility to get things done by the subordinates. To discharge this responsibility, the manager has to find out:

1. What makes people do things?
2. What makes people behave the way they do?
3. Why are some people reluctant to work though they have the required ability?
4. What should be done to make people work efficiently?

The above questions are answered by the process of motivation. It helps the manager to analyse and understand the needs of subordinates and to determine how the subordinate can be inspired to achieve the desired working behaviour. Motivation inspires and encourages people in an organisation to work for the achievement of organisational goals.

#### **3.2 MOTIVE, MOTIVATION AND MOTIVATORS**

We need to understand the three interrelated terms while studying Motivation:

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<sup>42</sup> SCOUT, G.W., 1981. *Organization Theory: A Structural and Behavioral Analysis*. Publisher: Richard D Irwin, 1981. 370 pp. ISBN 978-0256025156.

- 1. Motive:** The inner state or desire that activates, compels and directs the individual to behave in the direction of the achievement of goals is known as Motive. The needs of individuals give rise to motives. An individual's behaviour consists of some needs, desires and urges, which give rise to drives and motives. When a person recognises some motive, it prompts him to perform some action to reduce such restlessness. For Example, the need for water makes a person thirsty (motive) and this induces him to search for water. Food, security, comfort, recognition, etc., are a few examples of motives.
- 2. Motivation:** The process of stimulating people to action to accomplish desired goals is known as Motivation. It depends upon satisfying the needs of people.
- 3. Motivator:** The technique which is used to motivate people in an organisation is known as Motivator. As motivation is an effort to direct human behaviour towards satisfaction, motivators are factors that motivate people. These motivators are of two types: Financial incentives and non-financial incentives.

### 3.3 PROCESS OF MOTIVATION

The process of motivation is based on human needs. The steps of the process of motivation are as follows:

- 1. Unsatisfied Needs:** Need is the starting point of motivation. The process always begins when a person feels that there is some unsatisfied need in him.
- 2. Tension:** When an unsatisfied need is recognised, a tension is created in the mind of the person.
- 3. Drive:** This tension stimulates the driver and compels the person to take action to fulfil his needs.
- 4. Search Behaviour:** In this, the drivers create a drive to search for different ways or alternatives to relieve the tension.
- 5. Satisfied need:** After searching for the various options available, the person chooses a particular option. The person evaluates whether his need is satisfied or not as per the chosen option.
- 6. Reduction of Tension:** Tension is reduced, and the person feels motivated when he is successful in satisfying his needs.

Motivation does not end with the satisfaction of a particular need. Therefore, it can be said that it is a continuous process. So, after the fulfilment of a particular need, another need develops, and this process continues.<sup>43</sup>

### 3.4 McCLELLAND'S ACHIEVEMENT MOTIVATION MODEL

David C. McClelland, a prominent psychologist affiliated with Harvard University, conducted a series of groundbreaking experiments in collaboration with his colleagues. Their research, utilizing the Thematic Appreciation Test (TAT), focused on delving into the intricate realms of human motivation. McClelland's notable contributions revolve around the identification and exploration of three fundamental human needs: the need for achievement (n Ach), the need for affiliation (n Aff), and the need for power (n Power).



Figure 10: McClelland's Achievement Motivation Model<sup>44</sup>

#### 3.4.1 Achievement Motivation Model

One area of McClelland's research that garnered attention is the **Achievement Motive**, which pertains to individuals driven by a strong desire for personal accomplishment. These individuals are motivated by intrinsic factors rather than external rewards, like monetary gains. McClelland observed several key characteristics commonly associated with achievement seekers:

1. **Calculated Risk-Taking:** Those with a high need for achievement exhibit a propensity for taking well-considered risks and setting moderate, attainable goals. This defies the common misconception that high achievers engage in reckless behaviour.

<sup>43</sup> Available at: <https://www.geeksforgeeks.org/process-of-motivation/>

<sup>44</sup> Available at: [https://www.geeksforgeeks.org/mcclellands-achievement-motivation-model/?ref=oin\\_asr1](https://www.geeksforgeeks.org/mcclellands-achievement-motivation-model/?ref=oin_asr1)

2. **Desire for Feedback:** Individuals with a strong achievement orientation actively seek immediate and specific feedback on their performance. They consider feedback as a valuable tool for gauging progress and gaining insights into their performance.
3. **Intrinsic Satisfaction:** Achievement-oriented individuals find profound satisfaction in accomplishing tasks and projects. Their motivation stems from a genuine enjoyment of the process itself and the sense of personal fulfilment it brings.
4. **Dedication and Problem-Solving:** Taking personal responsibility and adopting a proactive approach to problem-solving. However, this level of dedication can sometimes pose challenges in interpersonal relationships.

McClelland's research findings underscore the significance of achievement motivation within organisations. He posits that organisations comprised of high achievers tend to thrive, effectively face challenges, and outperform those relying solely on conventional motivators. To cultivate achievement motivation, McClelland and his team conducted courses for executives from American, Mexican, and Indian firms. These courses emphasized key principles, including:

- Seeking frequent and specific feedback to facilitate personal growth.
- Learning from successful role models and emulating their achievements.
- Setting realistic and well-planned work goals that provide individuals with challenging opportunities.
- Encouraging positive self-talk and minimizing unproductive daydreaming.

The **power motive** encompasses the innate drive to exert influence and control over others. It represents the desire to shape and direct the actions of others to align with one's own goals and objectives. Individuals with a strong power motive actively aspire to assume leadership positions, displaying traits such as assertiveness, determination, and assertiveness.

The **affiliation motive** centres around the fundamental need for social interaction and interpersonal connections. Individuals driven by a high affiliation motive seek fulfilment through experiencing love, acceptance, and a sense of belonging. They prioritize cultivating harmonious relationships and place great value on maintaining positive social bonds. Jobs that provide ample opportunities for frequent interaction with colleagues are particularly appealing to individuals

with a strong affiliation motive. However, tasks that require working in isolation may not align well with their preferences and strengths.

### **3.4.2 Critical Appraisal of the Theory**

McClelland's theory and research offer valuable insights for managers in understanding employee motivation. Accurately assessing employee motives holds the potential to enhance the selection and placement processes within organisations. For instance, when managers can identify employees with a strong need for achievement, they can strategically assign them roles that align with their desire for personal accomplishment. This approach can result in improved performance and productivity. Furthermore, creating a work environment that nurtures and supports the achievement needs of employees is essential for their overall job satisfaction and motivation. By leveraging McClelland's theory, managers can effectively harness employee motivation to drive organisational success.

The achievement motivation model also has some limitations worth considering:

1. High achievers may have higher expectations of others' motivation and performance, which can impact their interpersonal skills and managerial effectiveness.
2. The research supporting the achievement motivation theory lacks consistency and certainty, casting doubts on its validity and reliability.
3. The effectiveness of protective techniques used to develop the achievement motive remains a subject of debate and scrutiny.
4. The model does not fully encompass the intricacies of the motivation process and its multifaceted nature.
5. Achievement motivation training can be resource-intensive, both in terms of time and cost, requiring further fine-tuning and optimization.

### **3.5 ESSENCE OF MOTIVATION**

The process of motivation is therefore a process of activating internal assumptions, directing a person's activity to a certain goal of his efforts.

These causes are motives, internal assumptions, internal stimuli leading to a certain target behavior.

Managers often find themselves in situations where it is not so much a problem to make a factual decision as to how to get people for this decision. It's about making employees want to participate in solving problems as the leader envisions it. Therefore, it is important to understand why a person behaves the way he does and what significantly influences his behavior.

**Behavior** is the result of the internal process of processing a stimulus in the personality's psyche. The decisive motives of human behavior are usually considered to be:

- ▶ primary needs, drives,
- ▶ secondary motives, personal goals, aspirations, values, ideals,
- ▶ internal and external influences (influences of the social group, wider environment, sociocultural factors, etc.),
- ▶ but also efforts to stand out, or efforts to merge with a certain group.

Theories about human behavior bring many insights, sometimes quite different. Some approaches prefer only the relationship of stimuli and reactions, others think about what is happening inside the person. However, human behavior is not only a reaction to a stimulus, we know that different people react differently to the same stimulus.

Work motivation is then motivation focused on the performance of work, on certain required work behavior, on behavior that meets the needs of the workplace, and the goals of the organization. In particular, the following should be considered the basic prerequisites and conditions for effective work performance:

- knowledge of the goal,
- skills or experience,
- creation of prerequisites, conditions for their use for the required performance,
- internal need to deliver the expected performance, will – level of motivation.

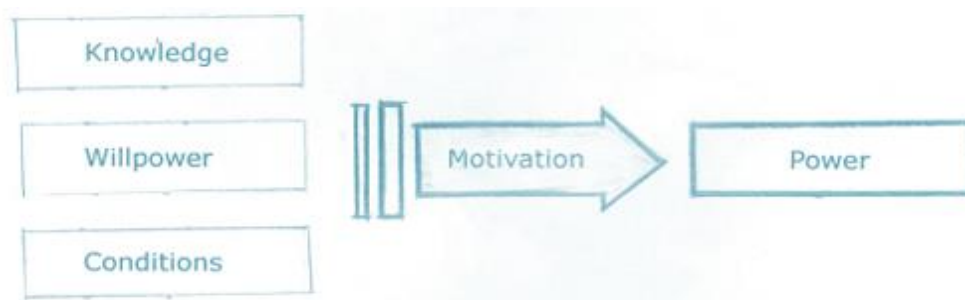


Figure 11: Basic Assumptions of Work Performance

### 3.6 WORK MOTIVATION THEORIES

Searching for the causes of volitional behavior, motives and incentives, the course of the motivational process, etc. is the content of many theories of motivation. Currently, the following theories and approaches are most cited.

#### 3.6.1 Maslow's Needs Pyramid

A. Maslow came to the conclusion that people are motivated in the work process unmet needs. His pyramid of needs is known.



Figure 12: Maslow's Pyramid of Needs<sup>45</sup>

Although the pyramid of needs shows the importance of different needs for work motivation, on the other hand, motivation is understood too schematically and does not allow accepting the often-significant differences in individuals.

C. P. Alderfer simplified Maslow's pyramid and divided needs as motives into only three groups: existence needs (E), relationship needs (R – relations) and growth needs (G – growth).

#### 3.6.2 Herzberg's Two-Factor Theory

F. Herzberg found in his research that not all factors recognized as motivators really have this meaning. There are factors that influence motivation directly, and by strengthening them work motivation is also strengthened. On the other

<sup>45</sup> Available at: [Maslowova pyramída – Wikipédia](#)



hand, there are many factors that do not have such a strong motivational effect, but if they were negative or absent, they would significantly reduce motivation.

Herzberg called these two types of motivational factors **motivators** and **hygiene factors**. Acts as a motivator, e.g. interesting work, responsibility, opportunity to show your skills, success, career progression. As a hygienic factor, it manifests itself e.g. job security, workplace relations, salary, working conditions, level of organization and management etc.

It can be argued that Herzberg underestimated the importance of the influence of the leader's personality, especially his leadership style. On the other hand, it is obvious that the value patterns of the given society, its traditions, but also economic maturity and individual preferences will influence which factor is more hygienic and which is more motivating.

### **3.6.3 Theory X and Theory Y of McGregor**

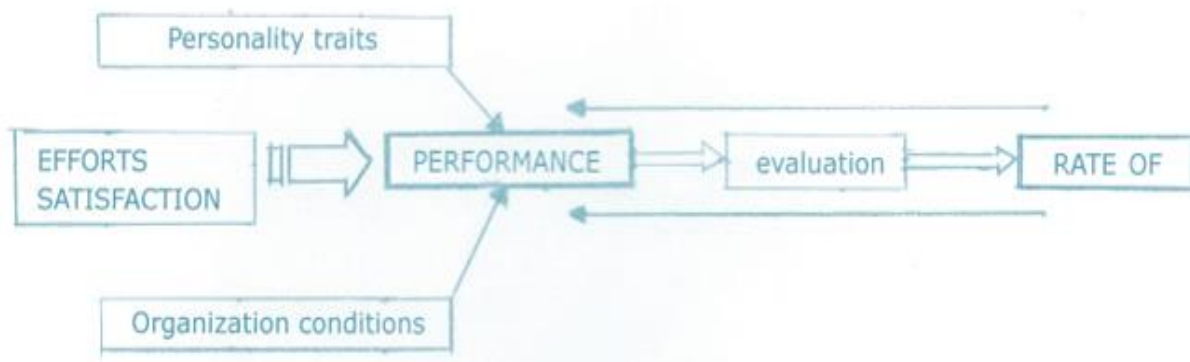
McGregor's theory is based on two different assumptions about the work behavior of employees. Theory X – people are basically lazy, they don't like to work, they are passive.

Theory Y – people accept the goal in work, are active, see the development of their personality in work. From this, McGregor deduces which leadership style is suitable for one and which for the other type of employees.

### **3.6.4 Expectancy Theory**

The theory is among the most widespread theories, which was developed in the 1960 s by Porter and Lawler. It is since the strength of motivation is determined by how the employee evaluates the expected reward in connection with the assessment of the expected effort and possible risks of not completing the tasks. It is assumed that the rating of the award's attractiveness will be different for different groups of people, and that it will depend on other factors such as:

- level of socio-economic status,
- personal ambitions and aspirations,
- functional position,
- personal preferences and other peculiarities.



*Figure 13: Scheme of the Motivational Process According to the Theory of Expectation*

### **3.7 MOTIVATION FACTORS**

The work performance and work behavior of the employee depends on his acceptance of the meaning and purpose of the organization's activities, from understanding his task, from his readiness to fulfill these tasks (knowledge, skills, experience), from his willingness to fulfil the tasks as best as possible - i.e. from his motivation - and finally from the conditions in which the task is performed. From the above-mentioned theories as well as from experience, it is possible to determine two types of stimuli or motives - external and internal.

**External incentives** (external motivation factors) are, for example:

- ▶ fair remuneration, job security,
- ▶ working conditions, share of the result,
- ▶ social benefits and others.



Figure 14: External Motivation Factors<sup>46</sup>

In the case of personal goals, their general usefulness, usability, and ability to strengthen attitudes is of great importance. Monotonous work does not motivate, so managers, if possible, strive for enrichment, or extension of work and so on. Reinforcing accountability is usually very motivating.

**Participation** - is one of the most effective motivational factors.

**Internal motives** are, for example:

- ▶ the need to participate in the success of the organization (sense of success),
- ▶ the need to improve, to learn,
- ▶ the need to do important work,
- ▶ the need to do work that is interesting, that people enjoy, in which they can prove their abilities, strengths,
- ▶ personal values, aspirations, ideals.

A good manager is aware of the importance of external and internal stimuli, tries to know the internal motives of employees and, as far as possible, creates prerequisites for their use, appropriately combines external and internal stimuli, with the main goal:

- maintain the motivation of motivated employees,

<sup>46</sup> RYAN, R. M., & DECI, E. L., 2000. *Internal and External Notives: Classic Definitions and New Directions*. *Contemporary Pedagogical Psychology*. 25(1), 54-67. doi: 10.1006 / ceps.1999.1020.

- motivate those who lack motivation.

Companies as well as other organizations create different types of motivational programs to support work motivation. Their success depends on the extent to which they accept the real needs of employees, to which extent they can adapt to their personal interests, goals and aspirations. However, even the best motivational program will not be effective in organizations where such phenomena prevail that we can consider motivational barriers or non-motivating factors.

### **3.8 MOTIVATION BARRIERS**

Motivational barriers or non-motivating factors can be divided into external and internal.

**External barriers** - the nature of the work, negatively affecting the organization's social atmosphere, disruption of relationships, leadership style, inappropriate behavior of the leader, failure to resolve conflicts, poor evaluation and reward system.

**Internal barriers** - inconsistency of personal interests, needs and aspirations with the content of the work, with the possibilities of self-realization, unpreparedness for the fulfillment of tasks, disproportionate experience or inability to cope with personal problems (economic, relational and other).

### **3.9 METHODS AND TECHNIQUES SUPPORTING MOTIVATION**

In order for a manager to be able to effectively motivate colleagues, it is important that he first of all has knowledge of the motivational process, knowledge of what motivates people at work, knowledge of their individual needs, interests, values and aspirations. External and internal motives are different for individuals, but as a rule, all employees show the following needs in some way:

- ▶ work in an interesting company, have an interesting and safe job, be rewarded,
- ▶ have a recognized and fair superior,
- ▶ have friendly colleagues,
- ▶ have the opportunity for professional growth and career development.

An important prerequisite for effective motivation is to make sure that every task is completed, and even then, not to make evaluation judgments focused on the employee's person - to evaluate the task, the performance, not the characteristics of the person. Whenever it is possible to appreciate, praise, also informally verbally. Support professional growth, permanently monitor working conditions, improve the working environment. Do not cover work conflicts or exaggerate them but resolve them effectively.

Proper motivation of employees is one of the basic prerequisites for the functioning, growth of the company and achieving the desired results. A common mistake when motivating employees is their focus on financial motivation, such as wages, bonuses or bonuses. Financial motivation is important for recruiting new employees and for the performance motivation of existing employees. But it is often not the most important.

Someone needs a good team, another a pleasant working environment, another one has non-financial benefits. For employees to be long-term satisfied and loyal to one company, it is necessary to work much more with non-financial forms of motivation.

The creation of an effective motivational system depends on the type and structure of the company or the position of the employee. Cooperation between employees, managers and the company and setting clear rules is also necessary. Only motivated employees can perform the required performance. It should be remembered that every employee has different expectations. If the company wants to maintain employee motivation and loyalty and thus reduce turnover, it is necessary to create such a motivational system that is regularly updated. One immutable motivational system will not last forever.

### **3.10 EFFICIENT MOTIVATION**

Managers may lack knowledge in implementing successful motivational programs that increase production and create a positive work environment.

The goal of every manager is to increase production and efficiency to reach maximum results for the organization.

Effective motivation must:

- ▶ Have defined **main ideas** – vision, mission, mission, strategic goals, values
- ▶ Ensure regular **information**
- ▶ Give people **certainty**
- ▶ Created **motivating working conditions** and working environment
- ▶ Understand that an individual's motivation is influenced by **several factors**
- ▶ Have **quality relationships** at the workplace and a good working atmosphere
- ▶ Managers must be **motivated themselves** - actively work on their motivation
- ▶ Managers must know and properly use **effective methods of managing and leading** people.
- ▶ Managers must master the principles of efficient and **quality communication**
- ▶ It is necessary to **limit motivational barriers** in the organization
- ▶ Ensure the development and **systematic training** of employees
- ▶ Have a system of **regular evaluation interviews** set up
- ▶ **Fair remuneration** – four systems need to be considered remuneration 1.

Direct monetary remuneration

2. Indirect monetary remuneration

3. Non-monetary compensation

4. Expressing recognition and praise

- ▶ Have a fair, progressive **disciplinary system** in place
- ▶ Regular assessment of the **quality of satisfaction and loyalty employees.**

1. *Direct cash remuneration* - including salary, including salary, including various salary benefits, bonus, bonus, bonus, bonus, bonus, bonus and commission. It is important that this form of remuneration is paid regularly in accordance with the agreed terms of the employment contract, employees must have SURE.

2. *Indirect monetary remuneration* - here we can include employee promotions, insurance, employee loans, extra payments for meals, clothing and others.

3. *Non-monetary remuneration* – this is the provision of other material values such as: a company car, a telephone, various social benefits and services, for example the use of recreational facilities, counseling services, childcare and various others. 4. *Expressing appreciation and praise* – both verbal and non-verbal expressions of appreciation and praise are the cheapest form of motivation. It's important that managers actively notice and seek opportunities to praise people, not just once or twice a year during face-to-face appraisal

interviews. Praise must be addressed and very specific. The core of management and the mission of management is precisely the art of mobilizing and gathering the intellectual resources of all employees for the benefit of the company.

Motivation can be properly or improperly achieved and can either hinder or improve productivity. Management must understand that they are dealing with human beings, not machines, and that motivation involves incentivizing people to do something because they want to do it. Effective motivation cannot be achieved without knowing what is important to associate. Management must use the proper incentives to achieve the desired results. Simply stated, if the proper motivational environment is in place, managers will be rewarded with productive associates.<sup>47</sup>

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<sup>47</sup> NICHOLSON, N., 2003. How to Motivate Your Problem People. *Harvard Business Review* 81(1) pp. 56-65. Retrieved from Business Source Premier database.

## 4 SOCIAL RESPONSIBILITY OF MANAGERS

The concept of **responsibility** is closely related to the performance of managerial activities in the company. Responsibility accompanies the manager at every step and reflects his moral obligation to think about the consequences of his actions against all interested parties. A manager is a senior employee who can objectively assess the market situation, its diversity, analyze it, prepare the basis for their activity and at the same time behave in a market-like and market-appropriate manner to influence.<sup>48</sup>

Responsibility can be seen as a relevant relationship to the expected consequences of the manager's work in all aspects.<sup>49</sup>

However, among the qualities that a manager possesses, there should not be a lack of responsibility used in his values, character, knowledge, or temperament. Currently, the management emphasizes the social responsibility of managers in three aspects, which are manifested at the individual and institutional level.

► *Aspect of personal responsibility* (personal competence, skill, readiness):

1. Individual level – responsibility towards oneself, inner feeling,
2. Institutional level – relation to employees, relation to work.

► *Aspect of legal responsibility* (legal standards, regulation of relations between the state and business entity):

1. Individual level – the manager's level of knowledge of legal standards,
2. Institutional level – degree of application of laws in the company.

► *Aspect of moral responsibility* (closely related to personal and legal aspects)

1. Individual level – applying the company's moral values,
2. Institutional level – application of moral values in the professional activity of the manager (Code of Ethics).

Through responsibility, the manager should think about his actions, anticipate possible consequences and subject them to evaluation from all aspects.

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<sup>48</sup> HANGONI, T. – IMRICHOVÁ, A., 2010. *Management and its Application in Social Work*. Gorlice : ELPIS, 2010. 136 pp. ISBN 978-83-928613-4-8. p. 31.

<sup>49</sup> MIKUŠ, P. – DROPPA, M., 2010. *Management Basics*. Ružomberok : VERBUM, 2010. 261 pp. ISBN 978-80-8084-622-0. p. 89.



Taking over and realizing the responsibility and its influence depends on the achieved development of the manager, which he acquired during education or from the environment. At each level of management in the company, the level of responsibility is different. It cannot be specifically measured because it is linked to the ethical maturity of the individual.

Currently, managers are faced with deciding what and to what extent the dimension of social responsibility has: relations with employees, pricing, resource protection, environmental protection, product quality, their safety, philanthropy, etc.

Managerial Social Responsibility (MSR) is the responsibility of every manager for his/her actions. It is morally binding on everyone to act in such a way that the people immediately around them are not adversely affected. MSR is a commitment everyone has towards the society – contributing towards social, cultural and ecological causes.

MSR based on an individual's ethics. Instead of giving importance only to those areas where one has material interests, the individual supports issues for philanthropic reasons. MSR is viewed as a tool for OSR (Organizational Social Responsibility). MSR forms the base for OSR or Organizational Social Responsibility because if everyone in a business organization does his/her bit the bigger things automatically fall into place.

The trends however show that big charitable organizations recorded high growth due to the social responsibility efforts of individuals and not corporate or the government. MSR may be slightly impractical, especially in the modern competitive world, where everyone works for self-interest, but it will succeed if we take decisions based on what will benefit many people and respect everyone's fundamental rights.<sup>50</sup>

#### **4.1 UNDERSTANDING ORGANIZATIONAL CULTURES**

**Corporate culture** refers to the beliefs and behaviors that determine how a company's employees and management interact and handle outside business transactions. Often, corporate culture is implied, not expressly defined, and

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<sup>50</sup> FARAHMAND, N., 2012. *Social Responsibility of Organizational Management*.

develops organically over time from the cumulative traits of the people the company hires.<sup>51</sup>

**Organizational behavior** refers to ethical behavior in the workplace. This means that it applies to all workers in the organization, including managers. The question of ethics in the workplace is more and more relevant in theory and managerial practice even in our conditions.

The reason for the growing interest is the numerous cases of unethical behavior published in the media and the fact that in the past these issues were not given the attention that ethics in the workplace deserves in terms of its importance for the successful functioning of the organization. It includes the study of questions of morality that can be expressed in terms of the relationship between what is considered right and wrong in human action, it is about norms of behavior that usually do not have a written form, such as legal norms - laws, and which are often not even legally enforceable. It is a moral code that determines what is and what is not ethically acceptable in the actions of an individual or a group of people.

Organizational cultures are observable patterns of behavior, or “what we do” in the pursuit of daily tasks. These fundamental influences are present whether the organization is a government agency, non-profit, or private corporation. They affect not only how others perceive the organization but also how the organization sees itself.

#### **4.1.1 Relationship Between Ethics and Culture**

There are several examples of Organizational Ethics to consider:

- Inspirational and idealistic codes of conduct are celebrated and encouraged by recognizing and reinforcing good decision-making and conduct.
- Regulatory codes ensure that ethical conduct is consistent throughout the organization, expected at all levels, and enforced via a non-biased basis.

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<sup>51</sup> TARVER, E., 2021. *Corporate Culture Definition: Characteristics and Importance Explained*. [online] published September 2021, [cited September, 2022]. Available at: <https://www.investopedia.com/terms/c/corporate-culture.asp>

- Educational and learning-oriented codes of conduct encourage individuals to expand their ability to make good decisions by enhanced learning opportunities and by continually examining other organizations with high ethical standards.

Several factors contribute to ethical behavior, and these qualities are often reflected in the institutions that affect the general society:

- Knowledge – A capacity to have at hand important facts that may influence the outcome
- Wisdom – Experience of past behavior and history that provides information for sound decision-making.
- Self-Control – Restraint of emotions and impulses that can influence the outcome of decisions
- Justice – Fair treatment of all involved
- Compassion – The ability to empathize both internally and externally with a range of different life conditions and viewpoints
- Integrity – The ability to manage self-interest in the pursuit of more significant goals of the institution, company and the society
- Courage – The ability to stand up to pressure to maintain an ethical standard in all activities
- Transcendence – The understanding that behavior must transcend usual considerations to preserve a more significant benefit for all.<sup>52</sup>

Organizational cultures impose a habit of judgment and action that workers, managers, and decision-makers implement daily. When an organization has a robust ethical underpinning, interactions with clients, suppliers, and others occur within these constraints regularly. Workers avoid stepping outside the bounds of the ethical standards to preserve their value within the organization. Similarly, they also understand that compromising the defined ethical standards is detrimental to the organization and, in turn, to their interests. So, the value of solid ethics within an organization becomes apparent. The perceived benefit of moral philosophy causes members to internalize the standard, thereby strengthening it. When ethical standards are compromised, the entire

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<sup>52</sup> HICKEY, J., 2021. *Relationship Between Ethics and Organizational Culture*. Available at: <https://ptalentsolutions.com/the-relationship-between-ethics-and-organizational-culture/>

organization suffers. It takes considerable effort from directors and managers to reinstate an atmosphere of ethical decision-making when a violation occurs.

Ethical behavior can become a part of organizational culture when the basic concepts are reinforced regularly and in all facets of the organization's work. Simply put, lapses are corrected quickly, and workers can rely on support for their actions within the recognized ethical structure of the organization.

Organizational culture is the result of a long-term process and consists of several elements. Usually, the social status of an entrepreneur already affects his value system and determines what image the public creates about him. It is also important how entrepreneurs respect each other and how their colleagues recognize them.

We speak of business culture when a certain form of business is based on common value preferences, a common way of thinking, while these common features are clearly manifested in the actions of entrepreneurs.

The efforts of many entrepreneurs to purposefully take care of business culture are based on the knowledge that business culture is an economic factor of success. The basis of this success is their responsible action, which respects the mutual connections of economic and ethical thinking. Today, the public only accepts such business thinking.

## **4.2 CONSTRUCTION COMPANY HIERARCHY**

Every construction company is different. From their geographical location and the types of projects they run to the individuals that move the company forward, they're all slightly different. But the way that most companies are organized (at least the well-designed ones) is usually similar.

Like the individual departments, the responsibilities of these tiers have nothing to do with shop size. A large company might have multiple people in each tier, while a small company often gives multiple responsibilities to a single person.

### **► *Levels of responsibility***

Every company has different levels, or tiers, of responsibility. As you move down the organizational chart, the roles move from strategy and management to task-specific jobs. In lower levels of responsibility, there can be dozens — if not hundreds — of employees, each working on their own portion of the larger work.

► **Ownership**

Large construction companies generally have a Board of Directors that steer the overall direction of the company, and a CEO who reports to them. Contractors with fewer than 50 or so employees may just have a single person at the top, the President or Owner.

► **Executive**

The executive team works closely with the CEO to develop company strategy and communicate it to the rest of the company. Large construction companies can have a range of executives, each one heading their respective division. Actual titles vary, and may be called vice presidents or chief officers, like VP of Operations or Chief Financial Officer (CFO).

► **Director**

Larger construction companies will often have several directors working underneath executives. For example, there will be a marketing director, an engineering director, a sales director, and a director of operations. The engineering and operations director often report to the Chief Operating Officer (COO), while the sales and marketing directors may report to the Chief Marketing Officer (CMO).

► **Manager**

Under the director level is the manager tier. These individual managers run the actual teams of which they're in charge. Roles such as financial managers, accountants, construction managers, superintendents, project managers, and marketing managers fit in this tier. Large companies are likely to have several of these roles across the different divisions and projects.

► **Support**

Support staff is responsible for much of the legwork, supporting the managers and directors of each division. They report to the managers and fill roles such as assistant managers, office managers, account managers, and assistant project managers. A large company might have several people in each job title to share the responsibilities.

► **Entry – level**

Everyone must start somewhere, especially in a large construction company. The entry-level tier typically consists of administrative assistants, interns, and specialists. Some assistant project managers may start at this level, as well.

**4.2.1 Importance of Organizational Chart**

Every day, you and your people make decisions that steer the direction of the company. Every decision, no matter how small, has some type of impact. Some decisions don't need to make it past the entry-level tier, while others require the entire company to circle the wagons.

The CEO needs to focus on the big decisions. If they're expected to sign off on every small decision, they're creating a bottleneck. Every issue must flow through them. Wouldn't it be better if the company employees could turn to a "chain of command" to solve the issue at the lowest level possible? That's the value that a construction company organizational chart brings to the table.

The organizational chart for **a large construction company** can be quite complex, with roles that are often highly specialized. They may have a whole team of Accounts Receivable Specialists or Credit Managers, each one assigned to oversee their own specific accounts.

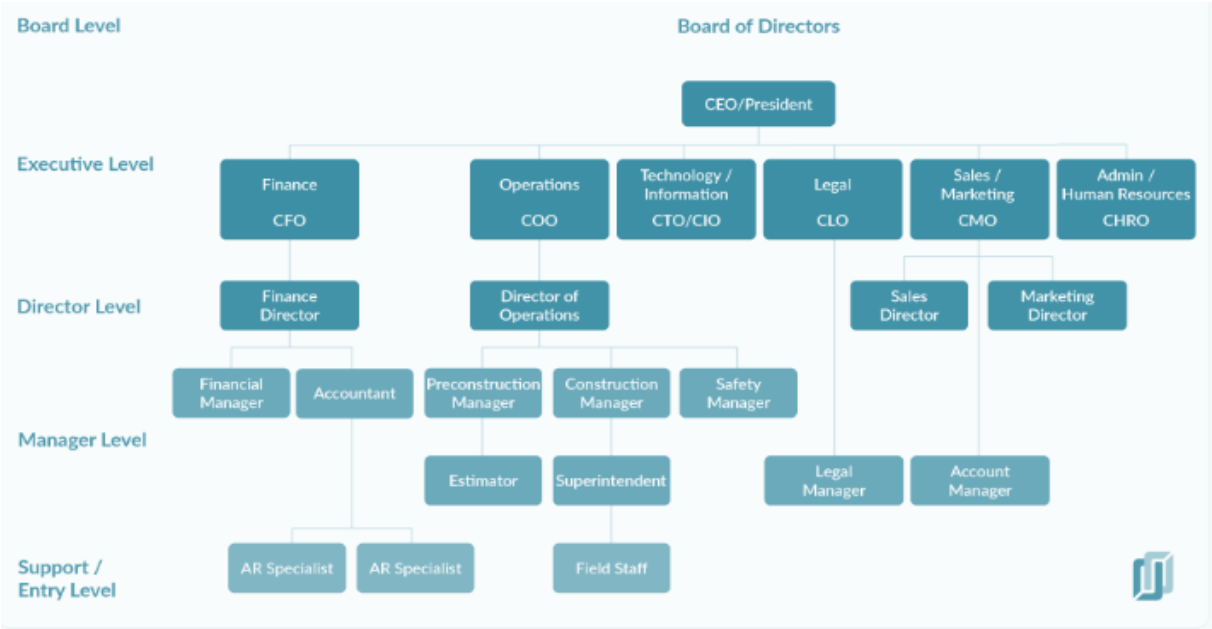


Figure 15 Organizational Chart for Large Construction Company<sup>53</sup>

<sup>53</sup> SCALISI, T., 2021. *Construction Company Hierarchy: The Marketing of an Organizational Chart*. [online] published Sep 23, 2021 [cited April 10, 2023]. Available at: <https://www.levelset.com/blog/construction-company-hierarchy-org-chart/>

Construction is still very much a family business for many companies. These contractors may only have a handful of employees. Many of the day-to-day duties, like billing, accounting, and personnel paperwork, fall to the unsung hero of small construction companies: the Office Manager (*Small Construction Company*).

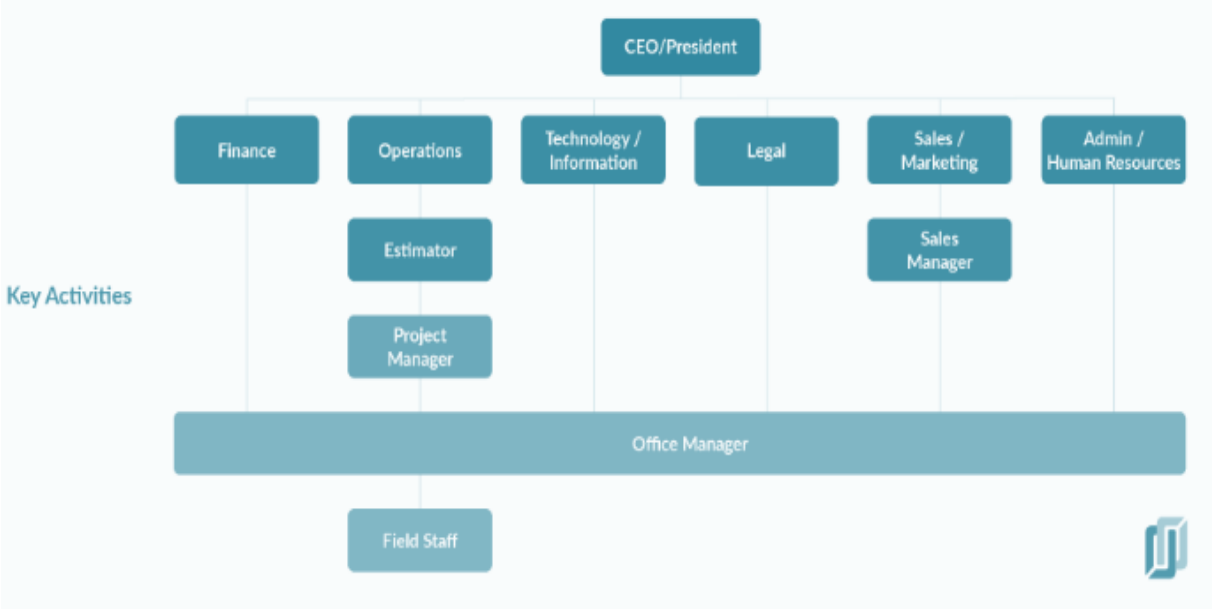


Figure 16 Organizational Chart for Small Construction Company<sup>54</sup>

An organizational chart is a roadmap for how your company goes from facing an issue or a challenge to coming up with a solution.

What is the best use for an organizational chart? No matter which layout you choose to use, Org Charts are useful for laying out relationships in your organization and ensuring that everyone knows how to communicate essential information.

Ethics in construction goes hand in hand with Corporate Social Responsibility (CSR), and while this isn't currently a legal requirement for construction companies, it is good business practice and a great way to demonstrate good ethics. Consider that, just because something can be built, does that mean it should be? CSR has a large role to play in this, and

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<sup>54</sup> SCALISI, T., 2021. *Constuction Company Hierarsy: The Marketing of an Organizational Chart*. [online] published Sep 23, 2021 [cited April 10, 2023]. Available at: <https://www.levelset.com/blog/construction-company-hierarchy-org-chart/>

construction companies can only be truly ethical if they critically consider the ethics of some of the early decisions required for a construction project.<sup>55</sup>

Social responsibility management is the process of organizing and overseeing efforts to improve the community and address social issues. Managers can improve their leadership by incorporating a focus on accountability to society and the community. Areas include philanthropic, economic, ethical and environmental social responsibility efforts, and many organizations choose to create a social responsibility management plan that incorporates various types of social focus. This can include supporting and maintaining the environment, collaborating with local charities and organizations and aligning marketing and promotional materials with positive messages.

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<sup>55</sup> MINETT, A., 2021. *Promoting Good Ethical Practice in Construction*. [online] published June, 2021, [cited April, 2023]. Available at: <https://www.chas.co.uk/blog/promoting-good-ethics-in-construction/>



## 5 CONSTRUCTION MANAGER AND ETHICS

Ethics can be understood as a practical science that examines human moral action. It is followed by applied ethics, which focuses on the investigation of morality in specific conditions of social practice. Managerial ethics as a subdiscipline of ethics critically reflects ethical issues. It has two aspects - an individual aspect (managerial ethics as professional ethics) and an institutional aspect (management ethics as a structure, management system). In practice, these two aspects intertwine and complement each other.

**Managerial ethics** is a complex of normative management. The system is combined into one complex whole, in which management goals, a flexible and effective motivation system, a quality management system, and functional internal company systems are important.<sup>56</sup>

**Managerial ethics** is a set of standards and principles that guide the actions and decisions of managers and based on this, determine whether the behavior of the manager in question is considered ethical or unethical. This means that ethical behavior is the behavior of a manager that is in accordance with the law and at the same time corresponds to the company's moral code.

Managers should be an example of ethical behavior for other employees of the organization. Hence the double role of the manager in the organization: to ensure its efficient functioning, but at the same time to ensure that this efficiency is achieved by means that are in accordance with the ethical code of the company.<sup>57</sup>

Managerial ethics are the standards that affect the conduct of employees within an organization. These are the sets of principles and rules chosen by upper management that explain what is right and wrong within an organization. Employees tend to follow the examples set by their leaders, so it is important for companies to ensure their managers project the image the organization supports. Good managerial ethics lead to a culture of positivity within the workplace, which, in turn, causes employees to feel supported and valued. Poor

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<sup>56</sup> BEDNÁR, M., 2019. *Vybrané kapitoly z manažérskej etiky*. Košice: Šafárik Press. ISBN 978-80-8152-767-8, 112 pp.

<sup>57</sup> *Euroekonom*, 2019. [online] published February 21, 2019, [cited September 21, 2022]. Available at: <https://www.euroekonom.sk/organizacne-spravanie-a-etika/>

managerial ethics lead to employee distrust and negativity and can affect a company's bottom line.

For example, if upper management consistently looks the other way when staff is subjected to bullying, this can lead to bullying becoming viewed by employees as acceptable behavior. The employees, in turn, will emulate this behavior, causing a hostile work environment, high turnover, and low morale.

Central problem in managerial ethics lies in the relation between superior and its subordinates, between managerial staff and other employees in the organization. The level, state and quality of managerial ethics influences the quality of the development of interpersonal relationships in the workplace.

Managerial ethics is normally characterized as critically normative reflection of managing the organization from managerial staff side. From the point of a manager, it fulfills 2 functions: presents basic normative orientation in relation to subordinates and presents a how to guide for self-reflection, self-control, self-regulation of own behavior. The matters of managerial ethics are questions of justice, boundaries and responsible disposal of power of management towards co-workers in formally organized socially economical system, whose work and hierarchy is structured. The initial step is the allocation of roles and power in specific hierarchal organization.

Top management is confronted with ethical problems independently from where the organization stands on the market, what her structure or size is. Some demands for responsible decision making are clear and easy, some aren't. We need to consider that decisions a manager needs to make are important from the business functions aspects as well as an ethical aspect.

The decisions in the relations towards the external environment of the organization cover social and natural environment. Consist of ethical questions such as:

- environmental protection
- product safety
- responsibility towards engineers, investors and suppliers

- trustworthy advertising and promotion
- different aspects, that influence regional, national or international environment.

The decisions in the relations towards the internal environment of the organization cover interpersonal relations in the workplace, existing authorities, motivation and internal structure. Consists of ethical questions such as:

- objective engagement and discharge of employees  
equitate assessment and decision making about work procedures  
employees' health and safety care
- assurance of civil liberties and rights of employees
- existing inter-organizational forces, which influence either general morale climate, organizational structure, or character of employees on individual organizational levels.

Managerial ethics step by step becomes middle of attention in business environment. Managers and the public in the USA began to care about the function and role of ethics for multiple reasons. The first was unethical behavior of some of the big companies. The second reason is from the long-term perspective, unethical management is too costly for the organization. Several companies have paid multimillion fines for managerial "mistakes" and have hardly recovered from loss of reputation.

The third reason is the fundamental core of ethics. Public and managers understand that sometimes it is problematic to determine what ethical is and what's not. Managerial ethics is a complicated matter and sometimes managerial opinions on ethics of some activities differ. Example would be problematic with measuring productivity of employees and more.

Managers in his professional activities follow economic, legal, and moral norms. From an ethical point of view, it is possible to divide managerial actions into two separate areas - the area where managers act as a member of corporate management and an area of interpersonal communication (horizontal and vertical) with co-workers. These two areas create ethical profiles of managers.

The ethical profile of managers consists of 3 groups of principles. The first group are principles of behavior towards him. Their main idea is positive acceptance of himself as a human being. It consists of self-knowledge, self-respect, self-confidence, self-understanding, self-control and self-criticism.

The second group consists of principles of behavior towards other people. Includes basic principles of correct and effective interpersonal communication. They originate from a meta-principle of communication and that is respect for human beings who have some basic rights. In rhetoric of a manager, this means getting rid of narrow economical communication towards co-workers. Dialogue should be the basic method.

Basic principles of second group are: tolerance as a non-violent way of communication, friendliness, ability to listen to others, empathy, discretion, spontaneity, not to act snobby, being open to demands and claims of others.

## **5.1 ETHICAL PRINCIPLES IN MANAGEMENT**

Managerial ethics are the standards that affect the conduct of employees within an organization. Good managerial ethics leads to a culture of positivity within the workplace, which makes employees feel supported and valued. Poor managerial ethics leads to employee distrust and negativity and can affect a company's bottom line.

As a manager, there are many situations where conflicts of values arise. It is the manager's job to know how to ethically solve the conflict according to the wishes of the company.

### **5.1.1 Ethical Standards**

The ethics of managerial behavior presupposes compliance with generally accepted standards and rules. Some are declared in explicit written form (constitution, basic human rights, procedures of competitive struggle - permissible and impermissible, etc.), others are unwritten rules (morality, tact, correct relations of competition for a functional position or resources, etc.).

Unambiguously declared ethical norms are considered given in modern management and stand outside the discussion, vaguely declared rules are often understood in contradictions.

Orientation in cases that are not covered by applicable social norms is made possible by checking the following points of view:

- *Utility of decision-making* – when considering whether, why, when, and how to consider procedure to apply. Criteria such as economic impacts on profit may be used, employment, competitive implications, and the like.
- *The aspect of law and personal freedom* - where it is determined whether it has been restricted freedom of expression, conscience, health protection, religious belief and the like.
- *The aspect of justice* - where it is examined whether the rules of decency are followed communication with employees and other partners, objectivity of the assessment at selection of variants, impartiality, and the like.

## **5.2 TYPES OF MANAGERIAL ETHICS**

Moral ethics and legal ethics are the key types of managerial ethics. Moral ethics management is when decisions are made not because there is a legal requirement to do so, but because management feels it is the right thing to do, such as being honest, treating others with respect, etc. Legal ethics is when a decision is made because it is the law, such as not taking bribes and not falsifying documents.

The types of managerial ethics are also called models. Usually, there are three types of management ethics in the organization. They are:

### ► *Immoral*

Immoral means acting unethically. Immoral ethics is when a manager unethically acts in the organization. Managers do not assume the welfare of employees or society while executing business activities.

And their sole goal is to maximize profits even if it is by means of breaking the legal laws or indiscriminately exploiting employees. In a simple sense, here a manager recognizes what is the wrong thing and does the wrong thing.

### ► *Moral*

The moral is the condition where a manager acts ethically and abides by the legal standards and laws. Managers do their best to recognize the wrongdoing and try to minimize it.

Here, the manager's goal is to work ethically and maximize revenue within moral principles and standards. While making the decisions every organizational

member is invited, everyone's suggestions are valued, and the welfare of the employees, organization, public, and environment is equally valued.

The goal of moral managerial ethics is to achieve the organization's desired goals and achieve the welfare of employees and society.

► *Amoral*

In this ethics, managers are irrelevant to what is wrong and what is right in the work environment. They lack a sense of ethical awareness and perception.

It lies between immoral and moral management ethics. Usually, managers respond to ethical or unethical behaviors only when they are required to do so.

### 5.3 IMPORTANCE OF MANAGERIAL ETHICS

Ethical standards affect managerial actions and practices. Managers need to conduct each activity of an organization from an ethical and moral perspective. Following are some importance of managerial ethics that your organization may get by maintaining it.

► **Healthy Working Environment** – Management ethics ensure equality and fairness in the workplace. Every organizational member is treated fairly and given equal opportunities to express and act as they see fit. Fairness and respect for every organization member promote a healthy working environment.

► **Better Relationship Between Managers and Employees** – A better relationship is maintained between managers and employees when employees are given value for what they are. And it is ensured by management ethics.

► **Fair Competition** – If every firm operates under business ethics – issues like unfair pricing, adulteration, black marketing, etc. are reduced which results in fair competition in the market.

► **Better Customer Relation** – Customers are the main source of achieving organizational goals. It focuses on valuing customers' needs, interests, and preferences and acting upon the customer's expectations.

► **Customer Satisfaction** – As business ethics focuses on working upon customers' expectations it increases the success rate of achieving customer satisfaction. Better relationships with customers and exceeding their expectations result in greater customer satisfaction.

► **Good Public Image** – Management ethics does not only focus on ethically working within the organization instead it equally emphasizes working ethically outside the organization.

► **Long-Run Success** – It also gives importance to achieving long-run success for an organization by satisfying employees, and customers, and acting upon building a good public presence.

► **Less Government Interference** – A business that works unethically and ignores the legal laws is always in the eye of the government.

► **Happy Stakeholders** – Management ethics does not only focus on building good relationships with employees, customers, and society but with all the stakeholders who directly or indirectly have an influence on the organizational performance.

► **Promotes Social Responsibility** – Managers work in society to fulfill the economic objectives of the organization. Business ethics guide them to work for society's welfare, arrange awareness programs, support education, participate in environmental protection programs, etc. All these promote the social responsibility of the organization.<sup>58</sup>

Hence, through all these discussions it seems that it is necessary that an organization should maintain a good practice of managerial ethics in its working environment.

### **5.3.1 Benefits of Managing Ethics in Workplace**

Many people are used to reading or hearing the moral benefits of attention to business ethics. However, there are other types of benefits, as well. The following list describes various types of benefits from managing ethics in the workplace.

#### **1. Attention to business ethics has substantially improved society.**

A matter of decades ago, children in our country worked 16-hour days. Workers' limbs were torn off and disabled workers were condemned to poverty and often to starvation. Trusts controlled some markets to the extent that prices were fixed and small businesses choked out. Price fixing crippled normal market forces. Employees were terminated based on personalities. Influence was applied through intimidation and harassment. Then society reacted and demanded that

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<sup>58</sup> MELE, D., 2011. *Management Ethics. Placing Ethics at the Core of Good Management*. London: Palgrave Macmillan. ISBN 978-1-349-31947-3, 182 pp.

businesses place high value on fairness and equal rights. Anti-trust laws were instituted. Government agencies were established. Unions were organized. Laws and regulations were established.

***2. Ethics programs help maintain a moral course in turbulent times.***

Attention to business ethics is critical during times of fundamental change — times much like those faced now by businesses, both nonprofit or for-profit. During times of change, there is often no clear moral compass to guide leaders through complex conflicts about what is right or wrong. Continuing attention to ethics in the workplace sensitizes leaders and staff to how they want to act — consistently.

***3. Ethics programs cultivate strong teamwork and productivity.***

Ethics programs align employee behaviors with those top priority ethical values preferred by leaders of the organization. Usually, an organization finds surprising disparity between its preferred values and the values reflected by behaviors in the workplace. Ongoing attention and dialogue regarding values in the workplace builds openness, integrity, and critical ingredients of strong teams in the workplace. Employees feel a strong alignment between their values and those of the organization. They react with strong motivation and performance.

***4. Ethics programs support employee growth and meaning.***

Attention to ethics in the workplace helps employees face reality, both good and bad — in the organization and themselves. Employees feel full confidence they can admit and deal with whatever comes their way. Bennett, in his article “Unethical Behavior, Stress Appear Linked” (Wall Street Journal, April 11, 1991, p. B1), explained that a consulting company tested a range of executives and managers. Their most striking finding: the more emotionally healthy executives, as measured on a battery of tests, the more likely they were to score high on ethics tests.

***5. Ethics programs are an insurance policy — they help ensure that policies are legal.***

There is an increasing number of lawsuits regarding personnel matters and to effects of an organization’s services or products on stakeholders. As mentioned earlier in this document, ethical principles are often state-of-the-art legal



matters. These principles are often applied to current, major ethical issues to become legislation. Attention to ethics ensures highly ethical policies and procedures in the workplace. It's far better to incur the cost of mechanisms to ensure ethical practices now than to incur costs of litigation later.

A major intent of well-designed personnel policies is to ensure ethical treatment of employees, e.g., in matters of hiring, evaluating, disciplining, firing, etc.

***6. Ethics programs help avoid criminal acts "of omission" and can lower fines.***

Ethics programs tend to detect ethical issues and violations early on so they can be reported or addressed. In some cases, when an organization is aware of an actual or potential violation and does not report it to the appropriate authorities, this can be considered a criminal act, e.g., in business dealings with certain government agencies, such as the Defense Department. The recent Federal Sentencing Guidelines specify major penalties for various types of major ethics violations. However, the guidelines potentially lower fines if an organization has clearly made an effort to operate ethically.

***7. Ethics programs help manage values associated with quality management, strategic planning and diversity management – this benefit needs far more attention.***

Ethics programs identify preferred values and ensure organizational behaviors are aligned with those values. This effort includes recording values, developing policies and procedures to align behaviors with preferred values, and then training all personnel about the policies and procedures. This overall effort is very useful for several other programs in the workplace that require behaviors to be aligned with values, including quality management, strategic planning, and diversity management.

Total Quality Management includes high priority on certain operating values, e.g., trust among stakeholders, performance, reliability, measurement, and feedback. Eastman and Polaroid use ethics tools in their quality programs to ensure integrity in their relationships with stakeholders. Ethics management techniques are highly useful for managing strategic values, e.g., expanding market share, reducing costs, etc. McDonnell Douglas integrates their ethics programs into their strategic planning process.

Ethics management programs are also useful in managing diversity. Diversity is much more than the color of people’s skin — it’s acknowledging different values and perspectives. Diversity programs require recognizing and applying diverse values and perspectives — these activities are the basis of a sound ethics management program.

### **8. Ethics programs promote a strong public image.**

Attention to ethics is also strong public relations — admittedly, managing ethics should not be done primarily for reasons of public relations. But frankly, the fact that an organization regularly gives attention to its ethics can portray a strong positive to the public. People see those organizations as valuing people more than profit, as striving to operate with the utmost of integrity and honor. Aligning behavior with values is critical to effective marketing and public relations programs. Consider how Johnson and Johnson handled the Tylenol crisis versus how Exxon handled the oil spill in Alaska. Bob Dunn, President, and CEO of San Francisco-based Business for Social Responsibility, puts it best: “Ethical values, consistently applied, are the cornerstones in building a commercially successful and socially responsible business.”

### **9. Overall benefits of ethics programs:**

Managing the ethical values in the workplace legitimizes managerial actions, strengthens the coherence and balance of the organization’s culture, improves trust in relationships between individuals and groups, supports greater consistency in standards and qualities of products, and cultivates greater sensitivity to the impact of the enterprise’s values and messages.

**10. Last – and most — formal attention to ethics in the workplace is the right thing to do.<sup>59</sup>**

## **5.4 KEY ETHICAL PRINCIPLES IN CONSTRUCTION**

There are several ethical principles that are important for construction professionals to uphold.

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<sup>59</sup> CARTER, M., 2023. *Benefits of Managing Ethics*. [online] published January, 2023, [cited April, 2023]. Available at: [https://management.org/blogs/business-ethics/2010/10/23/10-benefits-of-managing-ethics-in-the-workplace/#google\\_vignette](https://management.org/blogs/business-ethics/2010/10/23/10-benefits-of-managing-ethics-in-the-workplace/#google_vignette)

- ▶ Integrity: Honest and transparent practices in all dealings.
- ▶ Accountability: Taking responsibility for actions and decisions.
- ▶ Fairness: Equitable treatment of all stakeholders.
- ▶ Respect: Maintaining dignity and respect for employees, clients and community.
- ▶ Compliance: Adhering to laws, regulations and industry standards.
- ▶ Sustainability: Commitment to environmental stewardship and sustainable practices.
- ▶ Quality Assurance: Upholding high standards in construction processes and outputs.
- ▶ Safety: Construction professionals should take all necessary steps to protect the safety of workers and the public.

Any company, including construction firms, can promote ethical principles at the workplace. Here are five tips to follow:

1. Lead by example: The company's leaders should set a good example by upholding ethical standards in their own behavior.
2. Create a code of ethics: The company should develop a code of ethics that outlines the ethical principles that are expected of employees.
3. Provide training on ethics: The company should provide training to employees on ethics and how to apply ethical principles in their work.
4. Encourage a culture of ethics: The company should create a culture of ethics where employees feel comfortable speaking up about unethical behavior.
5. Reward ethical behavior: Recognize and reward employees who demonstrate ethical practices.<sup>60</sup>

## 5.5 CONSTRUCTION MANAGER'S CODE OF ETHICS

**A code of ethics** is a guide of principles designed to help professionals conduct business honestly and with integrity. A code of ethics document may outline the mission and values of the business or organization, how professionals are

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<sup>60</sup> *Importance of Ethics in the Construction Industry*. [online] published August, 2024, [cited September, 2024]. Available at: <https://www.cicconstruction.com/blog/the-importance-of-ethics-in-the-construction-industry/>

supposed to approach problems, the ethical principles based on the organization's core values and the standards to which the professional is held.

Both businesses and trade organizations typically have some sort of ethics that their employees or members are supposed to follow. Breaking the code of ethics can result in termination or dismissal from the organization. A code of ethics is important because it clearly lays out the rules for behavior and provides a preemptive warning.<sup>61</sup>

A value-based code of ethics deals with a company's core value system. It may discuss standards of responsible conduct as they relate to the larger public good and the environment. Value-based ethical codes may require a greater degree of self-regulation than compliance-based codes.

For all businesses, laws regulate issues such as hiring and safety standards. Compliance-based codes of ethics usually not only set out guidelines for conduct, but also lay out penalties for violations.

In some industries, including banking, specific laws govern business conduct. These industries tend to formulate compliance-based codes of ethics to ensure that legalities are being followed. Employees usually undergo formal training to learn the rules of conduct.

This type of code of ethics is based on clear-cut rules and well-defined consequences rather than individual monitoring of personal behavior. Therefore, despite strict adherence to the law, some compliance-based codes of conduct do not promote a climate of moral responsibility within the company.

Codes of ethics in construction firms are essential for creating a culture of integrity and promoting ethical behavior among employees. By setting clear expectations and guidelines, construction firms can foster a positive work environment, build trust with stakeholders, and prevent legal consequences.

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<sup>61</sup> TWIN, A., 2023. *Business Ethics: Definition, Principles, Why They're Important*. [online] published March, 2023, [cited April, 2023]. Available at: <http://www.investopedia.com/terms/b/business-ethics.asp>

Embracing an ethical framework not only enhances the reputation of construction firms but also contributes to the overall success and sustainability of industry.

### **5.5.1 Code of Ethics for Civil Engineers**

#### **CODE OF ETHICS**

member of the Slovak Chamber of Civil Engineers

The Slovak Chamber of Civil Engineers (hereinafter referred to as "SChCE"), pursuant to paragraph 34 1 letter b

The Slovak Chamber of Civil Engineers (hereinafter referred to as "SChCE"), pursuant to paragraph 34 1 letter b) of the Act No. 138/1992 Coll. on authorized architects and authorized construction engineers in force wording (hereinafter referred to as the "Law") in the awareness of shared responsibility for the world, nature and culture towards the past, current and future generations, decided to establish this SChCE member's Code of Ethics (hereinafter referred to as the "Ethical codex").

vatX").

#### **Article 1**

##### **General principles**

(1) The Code of Ethics regulates the basic ethical standards of behavior of mandatory and voluntary members of ShCE (hereinafter only SKSI members) in the performance of their profession.

(2) The goal of the Code of Ethics is to achieve a high level of mutual relations between SChCE members and their relations with other professionals, the lay public and customers.

(3) Members of the SChCE undertake to comply with this Code of Ethics in accordance with their promise.

SChCE is responsible for compliance with the code.

#### **Article 2**

##### **Basic rules of ethical behavior of a SChCE member in the performance of his profession**

(1) Member of SChCE

a) must perform its Activity at an appropriate professional level, consistently and independently,

- b) does not enter dishonest commitments. Acceptance of the order does not release him from his obligation compliance with the principles of professional ethics,
- c) does not accept obligations that cannot fulfill due to insufficient qualifications, technical and personnel equipment, limited time options, etc.,
- d) he does not abuse property (material, equipment, and space) during his activity  
equipment, computer technology, etc.) or my work,
- e) improves his professional knowledge and applies new scientific and technical knowledge in practice and ensures or enables professional training for its employees,
- f) is obliged to maintain confidentiality about facts, data and information obtained in connection with his professional activity, if they have a personal or commercial one character,
- g) respects the basic rules in the public procurement of works. It does not provide false data,
- h) avoids unfair competition and concealment of data necessary for the actions of my authorities,
- i) rejects all forms of coercion to issue professional statements and opinions without thorough knowledge of the matter in question,
- j) his activity must not endanger the good reputation and general recognition of the profession as a whole,
- k) is obliged to use the authorization stamp in accordance with applicable regulations.

(2) A member of the SChCE bodies does not abuse his position in economic competition.

### **Article 3**

#### **Principles of customer behavior**

(1) Member of SChCE

- a) conducts fair dealings with the customer, observes contractual relations and is based on principles protection of the customer's interests,
- b) performs ordered work honestly, on time and at a high professional level,
- c) is personally responsible for any damage incurred during the performance of the profession. For this purpose, it takes out insurance,

d) executes the received order himself or through his employees.

Provision of part of the work in the form of subcontracts is carried out exclusively through entities that have professional and professional prerequisites for it.

(2) Negotiations and agreements with 50 customers are generally confidential. I can't get such information from them be provided to third parties or used in my work without the customer's consent.

#### **Article 4**

##### **The relationship of SChCE members to each other**

(1) A SChCE member must not intentionally harm his colleague, in particular

- a) biased assessment and comments on the activities of my engineer,
- b) by influencing my people in his favor at the expense of a colleague,
- c) taking over work in progress without the consent of the original processor if such work is his property.

(2) A member of the SChCE may not cooperate with each other, draw up professional assessments and approvals and in public speeches to discriminate against my engineers because of their race, nationality, religion, political beliefs, gender, and sexual orientation, physical or mental limitations and marital status.

(3) A member of SChCE must not come into conflict of interests in his work.

(4) The member of the SChCE avoids purposeful criticism of my engineer or his specific work, for which purpose would be discrediting the engineer or obtaining a contract on which another engineer is working or preparing it; this does not prevent professional criticism or the development of professional opinions and reviews.

5) A member of the SChCE is obliged to respect the copyrights of the member of the SChCE.

(6) The SChCE member is obliged to indicate the names of the co-authors and to indicate the parts on the processed documentation clocumentation they processed.

(7) A SChCE member can make expert assessments and professional reviews of the works of my engineers on the condition that he informs them about this in advance.

#### **Article 5**

##### **SChCE - SChCE member relationship**

(1) A SChCE member has the right

- a) use paid and unpaid services provided by SChCE,

b) to submit an initiative in a dispute with my colleague to the competent SChCE authority,

c) for professional assistance in a dispute with another person, provided that SChCE has recognized eligibility SKSI member requirements.

2) The member of the SChCE has the obligation to know all the documents governing the rules of the SChCE! adopted by SKSI General Assemblies and follow these documents.

(3) SChCE is obliged to acquaint all members with the documents regulating activities and relations in SChCE, which were approved by the SChCE General Assembly.

(4) SChCE is obliged to respect the right of its member to confidentiality of all data about the member and without with the consent of the SChCE member, he may not provide them to third parties. Without the member's consent, SChCE may notify only his name, scope of authorization, suspension of authorization, deletion from the list and address.

(5) SChCE is obliged, on the initiative of a member of SChCE, to ensure an examination of his initiative and take an interest in it clear opinion. If a cause for action arises from such an initiative, SChCE is obliged to initiate proceedings.

(6) The Ethical Council will review the suggestions and decide, which will decide also about possible continuation before the Disciplinary Commission.

(7) Upon detection of a violation of the SChCE regulations, the SChCE is obliged to initiate disciplinary proceedings against the SChCE member.

## **Article 6**

### **Transitional and final provisions**

(1) Repealed: Code of Ethics of the Slovak Chamber of Civil Engineers dated July 10, 2012.

(2) Effectiveness: The code of ethics of the Slovak Chamber of Civil Engineers was supplemented and changed to the SChCE member's Code of Ethics in accordance with Act 50 No. 138/1992 Coll. about authorized architects and authorized construction engineers as amended and by the SChCE Statute. This one The SChCE Member's Code of Ethics comes into effect upon its approval by the General Assembly working on September 19, 2020.<sup>62</sup>

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<sup>62</sup> Available at:

[https://www.sksi.sk/buxus/docs/Strom\\_webu\\_pre\\_dokumenty/Vnutorne\\_poriadky/Eticky\\_poriadok\\_SKSI\\_19.09.2020\\_podpisany.pdf](https://www.sksi.sk/buxus/docs/Strom_webu_pre_dokumenty/Vnutorne_poriadky/Eticky_poriadok_SKSI_19.09.2020_podpisany.pdf)



### 5.5.2 Ethical Codes in Construction Companies in Slovakia

From the obtained results of the survey, which was carried out in 2019 in construction companies in Slovakia, we can see the following results in the analysis and evaluation of the issue of applying ethical codes.

When examining the existence of a code of ethics, which is a basic means of integrating ethics into the corporate culture, 52.9% of the investigated companies had a code of ethics, i.e., 37 companies were considering its introduction and another 11 companies (15.7%) out of 70 companies that participated in the survey. The stated findings were positive, as together they represented 68.6% of companies that already had a code of ethics or were considering creating one. However, 22.9% of companies still did not deal with this issue.

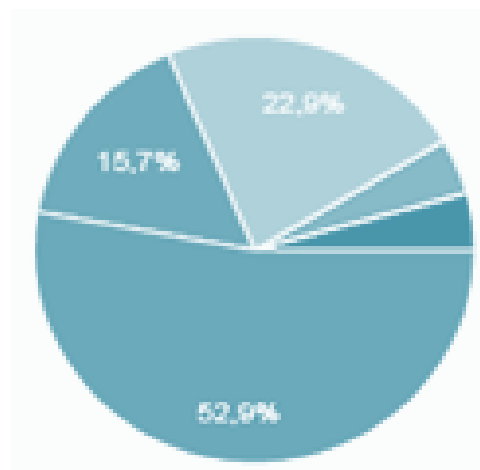


Figure 17 Ethical Code in Construction Companies [source: autor]

The research showed that most of the companies addressed have developed a code of ethics or are considering introducing one, therefore they are sufficiently informed about the content, goals, and tasks that the code of ethics is supposed to fulfill in the company. 58.6% have enough information, i.e. 41 and incomplete information is declared by 30% of companies (Fig. 5).

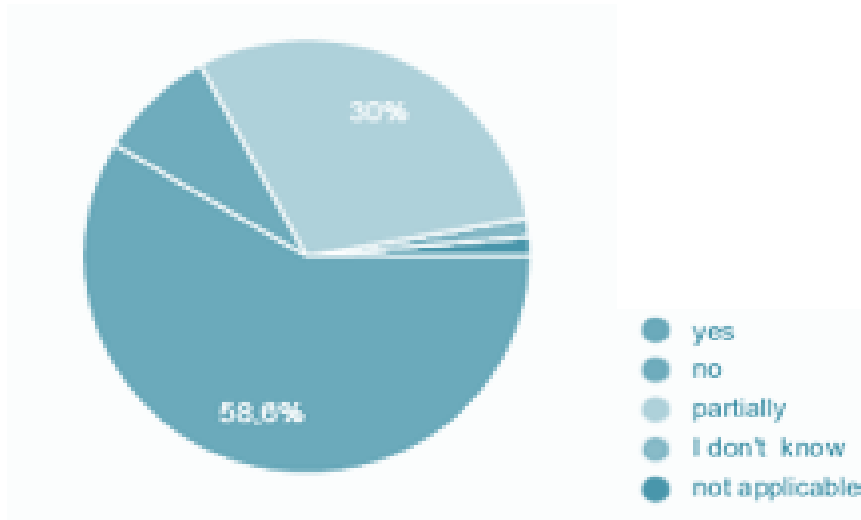


Figure 18 Information about Code of Ethics [source: autor]

## 5.6 ROLE OF ETHICS IN SHAPING IDENTITY

Ethical practices are central to establishing and maintaining a strong identity within the construction industry. By consistently demonstrating ethical behavior, companies become recognized for their integrity and commitment to responsible business practices. This leads to several key takeaways:

- Building trust: Clients and stakeholders are more likely to trust construction companies that prioritize ethical practices. Trust is crucial for establishing long-term relationships and attracting new business opportunities.
- Differentiation in the market: Companies that actively promote their commitment to ethical practices can stand out from their competitors. This can be an important factor in securing contracts and winning bids.
- Attracting top talent: Job seekers increasingly value ethical considerations when choosing an employer. Construction companies with a strong ethical identity are more likely to attract skilled and passionate professionals.
- Fostering collaborative partnerships: Construction companies with a reputation for ethical practices are sought after as partners in joint ventures and collaborative projects. Other businesses recognize the value of working with organizations that share common values.<sup>63</sup>

<sup>63</sup> TANK, R. and et., 2023. *The Role of Codes of Ethics in Shaping Construction Company Culture*. [online] published March, 2023, [cited April, 2023]. Available at: <https://utilitiesone.com/the-role-of-codes-of-ethics-in-shaping-construction-company-culture>

The ethical role of managers is broadened beyond fiduciary responsibility when consideration is given to the multiple stakeholders who constitute the organization being managed and to nature, on which human civilization depends for its survival. Business decisions affect both stakeholders and nature; therefore, a logical conclusion is that those decisions have ethical content inherently and that managerial decisions, behaviors, and actions are therefore inherently ethical in nature. Whenever there are impacts due to a decision, behavior, or action that a leader or manager makes, there are ethical aspects to that decision or situation.

## CONCLUSION

In today's business world, ethics is more relevant than ever. With the rise of corporate social responsibility and stakeholder theory, businesses are expected to operate in ways that respect not only their shareholders but also their employees, communities and the environment. In business, ethics is about making choices that are not just legally compliant but also morally sound, reflecting a commitment to doing what's right, not just what's profitable.<sup>64</sup>

Construction projects involve multiple stakeholders, including clients, investors, contractors, and employees. With these various interests at play, ethical guidelines provide a framework for ensuring that everyone involved follows the same set of principles and values.

Education can go a long way in raising awareness of what is considered corrupt or unethical behaviour. Tackling corruption in construction is just a small part of promoting good ethics, but reassessing and re-educating workers about what good ethics in construction look like will take an investment of time and effort.

Ethics in construction need to come from the top to be effective. Management should be promoting good ethics and practices. Workplace culture has a huge role to play here too, as it is not simply a box-ticking exercise, but rather a holistic approach. Companies need to work at improving ethics in construction, and to do that, managers must acknowledge that there may be weak spots in the way they currently do things.

In the fast-paced world of construction, where deadlines are tight and budgets are even tighter, the importance of ethics can sometimes be overlooked. However, building a strong ethical foundation is crucial for long-term success and reputation in the industry.

Although the characteristics for exercising good business leadership should be similar in any work environment, the way in which leadership is employed in companies is not always the same, since factors such as the type of production,

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<sup>64</sup> *Importance of Ethics in the Construction Industry*. [online] published August, 2024, [cited September, 2024]. Available at: <https://www.cicconstruction.com/blog/the-importance-of-ethics-in-the-construction-industry/>

the environment and objectives, among others, can influence the way an organization is led.

leaders can transform and/or positively and valuably change their employees. Their main objective is to motivate workers to achieve business goals in the most efficient way possible. In other words, transformational leaders encourage, inspire, and motivate employees to innovate and create changes that will help shape and grow the company's future success.

In the construction industry, ethics has developed both at a professional and organizational level. Professionals such as lawyers, engineers and surveyors have ethical codes to uphold as befits their profession, as do organizations. Ethical behavior is often measured by the degree of trustworthiness and integrity with which companies conduct business.

Ethics is a key facet of a company's corporate social responsibility (CSR) which it must endeavor to fulfill. The increasing emphasis on sustainability and environment in construction further requires companies to apply ethical standards to their activities. The role of managers/project managers is to promote these goals.

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