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# ETHICS OF THE RELATIONSHIP BETWEEN MANAGERS. OBSERVATIONS ON THE ETHICS OF THE RELATIONSHIP BETWEEN TOP MANAGEMENT AND MIDDLE MANAGEMENT IN CERTAIN STATE-OWNED COMPANIES IN ROMANIA

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## **Abstract**

The article is a study of ethical problems observed on an empirical basis in several state-owned companies in Romania. We aim to bring to the attention of the research several ethical non-conformities in the relations between the top management and the middle management of some state-owned companies under the conditions of good relations overall. The study did not propose the generalizations allowed by the use of the statistical method of selection. It will therefore not have the capacity to establish whether the identified non-conformities are representative. However, their analysis remains valid, regardless of whether they are representative or not, regarding the concordance of the factual situation recorded with the validated theories in ethics or management.

We started in the section *Typologies of ethics applicable to the top management and middle management of companies* from several categories of norms accepted within companies based on corporate governance, namely the norms of objectivity ethics, virtue ethics, rights ethics, ethics of assumed obligations, and performance ethics.

In the section *The relationship between top management and middle management strictly from the perspective of management science*, we have included general aspects, mainly focused on managerial principles, of the relationships between top management and middle management of companies of any type. We have included references to the equation:  $Work\ performance = competence \times motivation$ , to support the implications of the sense of justice on managers' motivation in the case of non-application of the principle of proportionality between the allocated resources and the responsibilities required of a middle manager. We have referred to the existence of an implicit contract and a psychological one in relation to the management activity based on understanding that mutually amplify and transform into deep feelings between the manager and those coordinated. As a source of inspiration, those rules taken from organizations that were actually successful and also had the courage or sincerity to make them available to the public can be used.

In the section *Changes and realities that strengthen the role of the middle manager*, we considered the transition from organizations based on command and control to organizations based on responsibility, information, knowledge, but also the need for competent authority in the conditions of the increasing complexity of the manager's activity on all levels: technological, economic, social. There is also the requirement for innovation of the modern manager who must overcome the inclination of inertial systems to avoid risks and minimal involvement in creative endeavors, which presupposes a strong position of the middle manager.

In the section *How to understand the position of the middle manager today*, we identified some essential attributions of the middle manager without which his assimilation into the category of managers would be ethically inappropriate, which further generates the exclusion of any liability in such conditions of limitation of attributions. We also proposed to clarify some delicate and less formalized aspects of the ethical relationship between managers based on a multi-disciplinary approach, namely from the perspective of logic, management science, contractual objectivity, and the efficiency of the managerial act.

In the last section, *Some problems noted in the relationship between top managers and middle managers in state-owned companies in Romania*, we analyzed the few non-conformities observed empirically in state-owned companies in Romania. These emerged against the background of generally good ethical relationships between the different levels of management during the mandate at the same time.

**Keywords:** management, typologies of ethics, changes in reality, top management, position of the middle manager, ethical non-conformity, state-owned company.

## 1. Introduction

### 1.1. Methodology

According to the operating rules of universities in Romania and the statutory ones of *Spiru Haret* University, all those who teach courses to students are obliged to maintain contact with the business environment in order to permanently update the content of the lectures. Under these conditions, each teacher informally formed a group of specialists and managers with whom he occasionally discusses the problems and new knowledge required by companies from graduates. For the empirical data of this article, 14 state-owned enterprises based in Bucharest were considered, in which the two authors knew specialists, managers or administrators, for the periodic updating of the courses. We can thus say that a subjective random selection of the companies took place. Given the sensitivity of the data that were the subject of scientific observation, more important than the existence of a representative sample was the selection of the interlocutors. We primarily considered the willingness of the respondents from the respective companies to provide honest information necessary for the study. Moreover, despite the restrictions related to the confidentiality of data specific to the management of any company, our empirical research identified several issues worthy of being discussed in the academic environment.

The discussions were held with specialists on the telephone or face-to-face, managers and administrators of the respective companies. In 12 of these companies, no deviations from the ethical norms between top managers and middle managers were recorded. In one of the companies, small ethical problems of the relationship between top managers and middle managers with little relevance were recorded. The negative aspects reported come from a single state-owned company. We considered it necessary to present them as a case study even though the data are not representative. We observed that both good and bad practices have the capacity to spread. In addition, such practices may also be present in other companies.

It is worth mentioning that the ethical aspects identified in the study are not specific to only some companies in Romania. Research, as well as the literature of dissemination of scientific knowledge, especially historical literature, have identified the existence in the past on an international level of ethical problems similar to those recorded in the Romanian company. In particular, there are references from universal military history in which deviations from ethical norms were recorded between the supreme commanders of various armies and the commanders of certain components of the respective army. There are also recorded in many countries the failure to comply with the commitments assumed by the Government, as a top

manager according to managerial terminology, towards local leaders of regions or other organizational divisions, middle managers in managerial terminology.

## 1.2. Objectives

In this article, we submit to scientific analysis some observations related to the ethics of the relationship between top management and middle management of some state-owned companies in Romania. The study falls within the field of applied ethics. However, it is a relatively narrow subfield from a research point of view. Lately, business ethics and economic ethics have emerged as distinct fields of applied ethics. However, these address inter-organizational relations. What we propose is an analysis of aspects of intra-organizational ethics. Perhaps it would be appropriate to name the subfield, obviously, if there are enough convergent studies in the area, as organizational ethics.

## 1.3. The importance of the article

The issues treated in this article have a high degree of novelty. They have not been the subject of significant studies in this manner. Elements of the aspects mentioned by us have so far been found in empirical studies at the company level. The increasing importance of ethical aspects in all areas of activity led us to scientifically study the relationships between managers necessary to perform the managerial function at the level of some state-owned companies in Romania. Thus, in addition to their relationship based on ethical norms with the outside, companies, including state-owned ones, must also monitor such aspects internally. In addition to the ethics of the relationship between managers and employees, managers and administrators or managers and shareholders, there is an ethics of relationships within the management system. This is more visible and more complex as the company is larger and has a more branched structure.

For data collection, we understood to use the interview method with people involved in the managerial function of some state-owned companies in Romania. As a general rule, the information collected led us to comply with ethical norms within the group of managers of state-owned companies. We moved on to scientifically filtering only negative observations, more precisely where our first reaction was related to the existence of an obvious non-compliance. The object of our study was only the relations between managers who work concurrently. We did not enter into the issue of the transfer of managerial responsibility on the occasion of handing over-receiving the mandate or the relations between managers in office and those who led in previous periods when these periods are the subject of control or audit missions.

A series of other highly topical topics for company management concern equal opportunities based on gender criteria, non-discrimination and intercultural management, the company's relationship with the external environment in the field of sustainable development, the transparency of the managerial act of state-owned companies in relation to citizens, the rigor of the relations between managers and administrators, shareholders, employees, business partners. We did not interfere with any of these topics in our study in order to preserve their validity and applicability as widely as possible.

## 1.4. Summary of the scientific literature in the field. Current state of knowledge of the problem

As we have stated in the *Introduction*, the relationships between types of managers have rarely been the subject of analysis from the perspective of ethical aspects. However, these relationships are the subject of studies in the field of management science. It is possible to extrapolate some reference elements from management science to ethics studies to the extent that the managerial act as a whole is subject to a permanent analysis from an ethical perspective.

The overall progress of ethics in each of its fields and subfields is also applicable, therefore inclusive in the organizational ethics that we deal with in this article.

It is worth mentioning the studies on the importance of ethics in economic life (Stoica, 2014) or those on some common philosophical referentials of ethics and economics (White, 2011). The ethical responsibility of leaders for capitalizing on the resources and creative potential of those they lead is relevant (Coșea, 2024, pp. 199-207), which generates the obligation of efficient and ethical management systems. We know that internationally, business ethics issues are at the center of attention and may continue to cause paradigm shifts both in global approaches and from a local perspective (Bohm et al., 2022). Also within the more general framework of business ethics, syntheses of the conclusions of studies published in different countries, such as Poland (Zadroga, 2017, pp. 19-32), Serbia (Sijakovic & Rakic, 2022), the Czech Republic (Zdenek et al., 2022), but also regional syntheses (Soulsby, Remisova & Steger, 2021), are already appearing. The dynamics of developments regarding business ethics, including its organizational component, already allows for the development of syntheses according to the historical method (Gasparski, 2017).

### **1.5. How to understand the emergence of this study?**

The ethics of activity at the middle management level has been the subject of pertinent observations (edu/ethics/focus-areas/business-ethics/resources, 2025) which, by extrapolation, can be taken into account in the relationship of this type of managers both with the coordinated execution staff and with the top management of companies.

The foundations of selective research procedures are well established under the title *Preliminary notions about selection* (Yule & Kendall, 1969, pp. 381-401) with a clear explanation of the mechanisms and minimal methodological requirements (Biji & Biji, 1979, pp. 167-217). At the same time, survey research is considered the basic method in the study of social and economic phenomena (Biji et al., 2002, pp. 245-315), as are the managerial ethical issues between the different decision-making levels. Since our study did not propose the generalizations allowed by the use of the statistical method of selection, it will not be able to establish whether the problems or non-conformities identified are representative. However, their analysis remains valid, regardless of whether they are representative or not, regarding the concordance with validated theories in ethics or management. More precisely, we want to bring these non-conformities to the attention of the research, regardless of their degree of extension.

## **2. Typologies of ethics applicable to top and middle management of companies**

In addition to the ethical norms applicable to organizations viewed as a whole, corporate practice recognizes a series of norms intended for managers as persons with certain organizational responsibilities. The norms of *objectivity ethics*, *virtue ethics*, *rights ethics*, *assumed obligations ethics* and *performance ethics* are widely accepted within companies based on corporate governance. Although the level of detail of these norms is not sufficient to allow their use as a true *Manual of Procedures*, they nevertheless allow managers to be guided through ethical dilemmas within the organization when they are faced with complex decisions. With all the variety of types of managers and managerial problems that arise, universal ethical principles can influence their decisions, as well as the behavior of executive personnel. We speak of a professional approach when the express service requirements are balanced with the stated ethical norms.

*The ethics of objectivity* is based on concrete facts, documents, and other types of evidence. Their use by managers allows them to make objective decisions based on impartial information. In this way, aspects related to personal preferences are eliminated or at least drastically reduced.

*Virtue ethics*, also known as *character ethics*, is based on qualities such as integrity, honesty, courage, and responsibility in the behavior of the manager.

*Rights ethics* is closely related to the ethics of assumed obligations. This type of ethics involves the recognition and rigorous observance of all categories of rights related to the managerial act, as well as the consistent fulfillment of the responsibilities assumed. It is an approach that leads to the system of contracts in the legal and economic fields.

*Performance ethics*, also known as *the ethics of concrete results*, considers in the managerial field the maximization of benefits and the minimization of costs of any type for all the factors involved. In the event of damage, these must be covered from the benefits obtained. However, the managerial act must be for the benefit of as many people as possible. This type of ethics is closely related to those philosophical concepts related to the concept of utilitarianism.

#### *Differences in the application of ethics between types of managers*

Although ethical principles are universal, the way in which a manager applies these principles may vary depending on his role and responsibilities.

### **3. The relationship between top management and middle management strictly from the perspective of management science**

The manager, regardless of the hierarchical level he is on, has a multitude of duties that are incumbent on him. These can be established by normative acts, statutory documents of the company or, most commonly, according to the job description. The respective documents also establish the skills required of the respective manager so that they help him carry out his activity autonomously and fulfill his tasks.

Being the manager of a department actually represents occupying a management position that involves a balance between the allocated resources plus the rights granted (the decision-making power actually held), on the one hand, and the responsibilities assumed, on the other. *A manager is a person who plans, orders and organizes certain aspects of the company, but who at the same time also deals with the management of resources, of whatever type they may be (people, money etc.)* (<https://www.scu.edu>).

According to current management science, the feeling of justice in labor relations results from the perception of difference, more precisely from the fact that one received in proportion to what was given (Ferrari, 2023, p. 33). If such an assessment is valid for executive personnel, it will be even more applicable to managers. In terms of the relationship between the different levels of management, we can say that you cannot ask a person or a group of people for more than you have offered them in terms of resources and attributions. You will not be able to hold someone who did not participate in making the decisive decisions regarding its implementation to managerial responsibility for an unsuccessful project. Failure to take this requirement into account has cascading implications on the valorization of the creative potential of managers and the credibility of the company. If we accept the equation:

$$\text{Work performance} = \text{competence} \times \text{motivation} \text{ (Maier, 1955)}$$

and understand the implications of the decline in the sense of justice on managers' motivation in the event of non-application of the principle of proportionality mentioned above, then we can say that it is totally inefficient for a company to ask managers for more responsibility than the attributions and resources they have allocated.

The need for correlation between the allocated resources plus the competences received versus the obligations also results from the analysis of the fundamental texts of political economy. The individual action of man is very weak. Essentially, he acts to satisfy his consumption needs with the help of instruments or means. The resources on which man relies in his action of obtaining the means necessary for living depend on the level of development

of civilization at that time (Guyot, 1887, p. 254). Under these conditions, no contract can be about a person acting individually, but about a person integrated into a collectivity, having resources adequate to the tasks received. Any managerial contract is precisely about the correlation between what you get and what you have to offer based on what you get. It goes without saying that the individual alone, without tools, cannot be the object of a highly complex contract such as the managerial one.

We want to show that there is a correlation between the instrumental economic rationality of the employer and the ethical norms of its relationship with managers. The existence of an implicit and a psychological contract in relation to the management activity is accepted in the specialized literature (Adair, 2003, p. 71). It is argued that this understanding related to the management activity is rarely expressed in words and even less in writing. Usually, this understanding is mutually amplified and transformed into deep feelings such as loyalty to the company. High ethical principles such as loyalty and risk-taking are applicable depending on the position in the team. Fidelity is the essence of quality management activity. In practice, managers always expose themselves to a greater risk than the people in the team, regardless of whether it is in the business, military, or other fields. It is possible that the formalization of management relationships of this type will become a practice in the near future. Even without formalization, the relationship between the leader and the team members is supported by ethical norms. It should be noted that for large and complex organizations, the role of the manager mentioned here is mainly played by the middle manager, the one who comes into direct contact with the executive staff. Following the model of the relationship between the leader and the team, the relationship between top management and middle management in large organizations should also function.

Economic theory proposes the broader concept of management relations, namely the relationships established between the components of the organization or between them and the components of other microeconomic business systems (Gâf-Deac, 2008, p. 19). These management relations must be based on rationality, perfectibility, verifiability. Thus, including the relationships between the management levels must be based on rationality, perfectibility and the possibility of verification. The middle manager's attributions will be in rational agreement with the resources he receives. The requirement of perfectibility can act within these correlations, but only on rational grounds. The correlation of responsibilities-resources may be discussed, respecting elementary ethical norms, in cases such as validated failures, organizational crisis, the emergence of decisions by decision-makers that are not under the control of either top management or middle management.

The typology of relationships between top management and middle management is set to undergo major changes as companies enter deeper into the information age (Drucker, 1999a, p. 87). It is likely that the current phase of transition to the use of artificial intelligence will accentuate this process. The contractual essence must remain the same, however: the middle manager receives resources and must provide quantitatively expressed results. The results can be expressed in the form of validated activity indicators or as feedback from customers, the public as a whole, colleagues in the company, public authorities etc., obviously depending on the profile and the stage reached in the information age.

Certain rules that have the capacity to improve the performance of companies will be taken from organizations that have actually been successful and have also had the courage or sincerity to make them available to the public. Among these rules are: the recommendation to work together with people who understand each other, the ability to communicate concisely and accurately, mutual respect, the existence of a pleasant atmosphere for all, understanding of mutual needs for information and commitment (Trump & McIver, 2009, pp. 136-137). Can it be an ethical problem if a person is not hired as middle management that the top manager does not like? Obviously yes, only if the top manager has discretionary powers in this regard

accepted by administrators and shareholders. The problem is that when the top manager is no longer pleased with the middle manager, he cannot affect his activity by restricting the resources that he needs and that were agreed to be allocated to him. Thus, we can conclude that there is practically no general hierarchy between the efficiency norms of management and those of ethics. These must be analyzed on a case-by-case basis.

There is no standard formula for organizing either companies or projects. Several factors act on the way of organization in general, and on the separation of the tasks of top management from those of middle management in particular: the size and organizational structure of the company, its organizational culture, established operating procedures, the effective skills and abilities of the available personnel. This aspect is recommended to be established at a higher hierarchical level. In general, a series of principles for developing organizational structures are accepted that include references to the top management - middle management relationship.

#### **4. Changes and realities that strengthen the role of the middle manager**

One of the developments in economic life in the world we live in is the change in the structure of all types of organizations, whether they are private companies, state-owned companies, public institutions, non-governmental organizations, political parties or other types. There is a *shift from organizations based on command and control to organizations based on responsibility, information, knowledge* (Drucker, 1999b, pp. 200-201). The higher hierarchical echelon is spoken of as one that provides advice more quickly than giving orders. In this type of organization, it is not possible to imagine any kind of interference by central management on the department manager in issues such as the selection and placement of personnel for vacant positions, training programs, and taking vacations. We therefore expect that the operating rules of the new organizations will no longer allow the violation of ethical norms. As in other areas, there is a convergence between the dynamics of the organization of society and the dynamics of ethical requirements.

Since the end of the 20th century, signals were being sent regarding the need for changes in the way of understanding management functions. Under the title "The CEO in the New Millennium" (Drucker, 2004, pp. 85-97), the new requirements also bring into discussion the relationships between top management and middle management of corporations. Among the topics under discussion were *the need for competent authority* in the conditions of the increasing complexity of the manager's activity on all levels - technological, economic, social, including the elimination of hesitations when urgent decisions are required. This can only happen if there is competent, highly specialized middle management capable of participating in decision-making. The need to find a management style appropriate to these times was also signaled, including increasing the capacity to process and capitalize on the wave of information that appears in the new type of economy. Sorting and filtering information to primary users, starting with middle management, is a solution to multiply the capacity to analyze primary information.

The relationship between duties and responsibilities at the middle management level can also be supported from the perspective of entrepreneurial theory. A practical principle of recent entrepreneurial theory, starting from a reality in sports, says: "if you don't have possession of the ball, you can't lead the team" (Maxwell, 1999, p. 114). The reality in football represented by this principle has a great visual capacity, which allows a good understanding of the paradox it formulates. More precisely, if you have not given all the necessary duties to a middle manager, he will not be able to effectively lead the team entrusted to him and, obviously, he will not be able to be held accountable for non-achievements.

Another reality is that direct and immediate control over all the elements that contribute to the activity of large corporations is no longer possible. The practice of obtaining results

based on orders is changing: the share of results obtained in partnership conditions is increasing. The first relationship that must move from issuing orders to consulting in partnership is between top management and middle management. All the changes mentioned determined at the beginning of this century the paradigm shift regarding the role of middle managers in large corporations. And if the role of middle management is changing, it is natural to think about a new ethics of its relations with top management, in a style of true partnership.

In the specialized works that deal with the subject of designing or redesigning the management system, since the end of the 20th century it was suggested to take into account the following categories of resources: human, technical-material, financial and informational (Nicolescu et al., 1993, pp. 59-60). All of these must be the subject of the contract at the middle management level, obviously along with tasks, duties and expected performance indicators. Regarding the categories of resources mentioned above that must be made available to the middle manager, the mentions must also include the mechanism for accessing them. Obviously, in the case of companies with state capital in Romania, reference will be made to the public procurement procedures and to the applicable statutory norms, including the levels of competence for making payments.

One of the requirements of the modern manager is innovation. Here a problem arises: there is, being proven on a large scale, the inclination of inertial systems to avoid risks and minimal involvement in creative approaches (Huțu, 1999, p. 163). The list of inertial systems includes state-owned companies, but also large and very large private companies. In reality, it is precisely in these, in those with high inertia, that innovation and the development of the creative spirit are required first and foremost. The stability of the correlation organizational resources - obligations is likely to stimulate the pro-active attitude towards innovation of middle managers, including in systems with high inertia, so where innovation is most necessary and efficient. Having a stable correlation between rights (including allocated organizational resources) and obligations, managers from companies with a tendency towards inertia (large ones, mainly state-owned) will be able to act more in the direction of innovation. In essence, this is also the purpose of the Romanian legislation on the management of public companies (owned by the state): the stability of the managerial mandate in order to have economic performance in accordance with Romanian law for public companies.

For a behavioral model, we can talk about a public role played by the middle manager for the overall objectives and a public role of each team member. When the resources are no longer adequate to the objective, the department manager as well as each member of the team may miss the assumed objectives. The effects on the psychological level may be different, difficult to assess. It is certain that from a psychological perspective, the lack of stability or even predictability of the organizational resources - objectives ratio presents a serious non-conformity.

Also from a psychological perspective, there is another effect of the lack of stability between allocated resources and objectives. The middle manager legitimately wants to acquire moral authority in front of his team. When the department - company relationship acquires a hierarchical discretionary character, the middle manager can no longer play the role of leader regardless of his inner capacity. External reputation blocks his access to the higher levels of consecration with possible implications for his career. At least one of the elements of moral authority cannot develop in the department manager under the conditions of instability of his relations with the company's management: consistency.

## **5. How to understand the position of the middle manager today**

The manager must be responsible for evaluating his department and the performance of each of the employees in the team he leads. This involves both obligations and rights for the manager. As obligations, we can include always having a developed critical spirit, a distributive

attention, but also attention to detail, impartiality and the ability to correctly evaluate employee performance. Among the competencies granted to the department manager must also be those related to new hires. This involves both participating in the recruitment of personnel, supporting interviews and transmitting the hiring decision to the competent departments. In the absence of these attributions and competencies for middle management, his assimilation into the category of managers would be ethically inappropriate, which further generates the exclusion of any responsibility for him in such conditions of limitation of attributions.

The delicate and less formalized aspects so far, such as the ethical relationship between managers, can be convincingly clarified based on the *multidisciplinary* approach. We further propose to approach these aspects from the perspective of *logic, management science, contractual objectivity, and the efficiency of the managerial act*.

In the classic form of organization of large companies, management has three levels: top management, middle management, and first line managers (Graf, Church & Duff, 1990, pp. 169-170). In this article, we have considered the more common type of companies with two levels of management: top management and middle management. It is also the usual type in Romanian state-owned companies.

The economic literature has identified a series of peculiarities of the transversal structure by departments within specific activities such as highly complex industrial production, such as the production of automobiles or equipment, sales, and related services. The position of product manager defines such a vertical departmental structure in which the duties are simply defined, but it implies a great responsibility: to get things done, to ensure profit by ensuring special satisfaction for customers, including sophisticated and demanding ones, to incorporate personality into products or services, to respond to the challenges of the future and to react to the movements of international competition. We are talking about interdisciplinary leaders who carry out these tasks not only with people who are officially subordinate to them (Gorchels, 2006, pp. 3-4). In principle, this is about the application of these structures in large and very large companies. In addition, in the case of this type of companies, having both a vertical and horizontal organizational structure, the ethical aspects within the managerial function become particularly complex. There must be special rigor in the application of contracts, job descriptions and assumed standards.

The rules of organizational functioning management indicate three major elements as key points: procedures, institutional development and resource management (Cusworth & Franks, 1993, pp.196-197). In this framework, the first element indicates what needs to be done, who needs to do it, how and when it needs to be done. Human and institutional resources are indispensable. Without them, the organization cannot function. Given these requirements of management science and practice, we deduce that in the top management - middle management relationship there must be great stability in terms of procedures, institutional mechanisms and resource allocation, human resources in the first place.

Among the general rules, mandatory to be respected in the relationship between the general manager and the middle management team, are the following: supporting decisions made as if everyone participated in making them, separating problems discussed in the office from those that can be discussed publicly, collectively accepting failure, always focusing on the problem and not on the people so that the problem of the organization or project does not become a personal one. Under these conditions, it is outside the ethical norms to criticize a middle manager in meetings with the entire team or to nominate him as guilty outside a very limited framework. No criticism can be presented against such a manager without his right to defend himself in the same formal or informal framework. It is true that it is also outside the ethical norms to find a situation in which those who commit major errors are not held accountable and are not significantly involved in the repair or correction that is required after the error has been committed.

Given the depth of connections in complex management activities, ethical relations between the different levels of managers can also be understood from the perspective of the human relations management school. Thus, one of Abraham Maslow's conclusions is the following: the more influence and power you give a member of your team, the more power and influence you yourself have (Dearlove & Crainer, 2008, p. 156). Paraphrasing the relationship between the general manager and the middle manager, we can say that as the manager gives more power and influence to the middle manager, he himself gains more power and influence in the organization or within the project. Under these conditions, it is considered inefficient and unethical to reduce the power and influence of the middle manager during his term of office. We can also adopt the mathematical rule of the reciprocal of a theorem. It is certainly inadmissible that, while maintaining the responsibilities of a middle manager, you reduce his power and influence, especially since this happens in conditions of reducing the resources allocated to his department. In such conditions, we can talk about a major ethical deviation.

Arguments based on management science can also start from basic definitions. In an interdisciplinary approach to management, it is appreciated that the elements of leadership are: resources - people, information and purpose (Stroe, 2025, p. 23). The most important element of a management is the man, the bearer of the most active and powerful forces of a management process. The leading subject (the middle manager in the case of our study) and the managed subject (the department in the case of our study) are made up only of people. Under these conditions, the norms that establish the relationship between the department manager and his staff are defining elements of the management act. To ensure efficiency, a dynamic balance of the management system must be maintained, predictable for both the leading subject and the managed subject.

In many cases, the requirements of efficiency are opposed to ethical norms. An efficient activity by its essence was automatically framed as being ethical. Lately, this dichotomy has increasingly decreased in intensity. Promoters of ethical norms have demonstrated each time that at least in the medium and long term, respected ethical norms can bring numerous economic or social advantages and benefits. In the case of rigorous application of ethical norms in the relations between managers, we introduce the theme of efficiency into the processes of innovation, change, development or restructuring.

Ethical relations between managers at different hierarchical levels must also take into account the right to a career. This right is enjoyed by both employees and managers. An important reference for the career of managers can be suggested from the point of view of the leadership stages they go through. In a vision that has become classic, there are five stages of leadership (Maxwell, 2011, pp. 16-17). Starting with the third step, the results of the team they lead play an important role. In other words, managers will not be able to climb the leader performance hierarchy if they do not have positive results. But the results are affected by both their leadership talent and the dynamics of the organizational resources received. Reducing or withdrawing organizational resources during the process can make it difficult for managers to prove their real leadership skills.

In the two-step hierarchy system, we have teams at the department level, and an organization at the company level. Management theory and practice insist that efficiency is the essential criterion by which a team should be judged (Hogan, 2011, pp. 86-87). Secondary or lateral aspects should not be taken into account in relation to the assumed objective of the department formed by a well-defined team. Through the objectives assumed by the department as a whole and by each member of the respective team, each person receives their own identity. And that identity will represent the core of the psychic life of each member of the team.

## **6. Some problems noted in the relationship between top managers and middle managers in state-owned companies in Romania**

As a general rule, it can be noted that in state-owned companies in Romania, ethical norms are respected between the different management levels. As is natural, managers at all organizational levels and regardless of the chain through which they reached their respective positions mainly aim to respect the organization's ethical norms in their relationship with employees, administrators, shareholders, citizens, business partners, regardless of whether they are customers or suppliers and providers. There is an increasing degree of ethical standards imposed in the relationship with citizens and customers, in many cases under pressure from all types of media. In addition, additional reporting requirements with major implications for ethical issues have recently emerged: the non-financial statement followed by the sustainability report and, most recently, the sustainable development report. Thus, managers of state-owned companies in Romania had the formal obligation to record important aspects regarding ethics in the company's relationship with the external environment. The respective record is public, being drafted under the managers' signature, with the administrators' opinion and the shareholders' approval, but also under the supervision of financial auditors. Finally, it is posted on the company's website. Under these conditions, it is very difficult to record flagrantly inaccurate facts or to make negative records on major problems. Managers, regardless of their hierarchical level, do their best to improve the ethical climate in which the activity is carried out, especially since the financial performance of the state-owned company does not have the same weight in their evaluation as in private companies. Such an effort is only possible under the conditions of the most rigorous compliance with both the attributions in the job descriptions and the usual ethical norms.

Despite all the progress in the ethical climate of state-owned companies in Romania, we have also observed a few specific cases of deviations that we will analyze below. We have observed, on the one hand, problems of general management ethics, but also special problems of department management and the relationship between top managers and middle managers. From the category of general management ethics problems observed, we mention:

- a) formalizing the relationship between the duties and responsibilities of a middle manager;
- b) the correlation between the own response time and that requested from partners or subordinate departments;
- c) the correlation between the complexity of the requested problem and the response time requested from subordinate departments.

From the category of problems of department management ethics and the relationship between top managers and middle managers, we have observed:

- a) the necessary correlation between rights and obligations, between skills and responsibilities;
- b) the correlation between allocated resources and requirements;
- c) the dynamics of tasks and the dynamics of positions in a department;
- d) staggered vacation leave and managerial responsibilities at department level;
- e) participation of the middle manager in the recruitment and selection procedure;
- f) establishment of specific requirements for various positions in a department under the leadership of middle managers;
- g) position of the department manager in disciplinary investigations for employee misconduct.

Below we present the analysis of some of these non-conformities. We express our own point of view based on the application of the ethical and managerial norms presented in the first part of the article.

### **6.1. The necessary correlation between rights and obligations, between competencies and responsibilities of the middle manager**

It is easy to establish that the ethics of rights, the ethics of assumed obligations, the ethics of performance are closely linked within this issue at the middle manager level. In fact, it is about the correlation of resources - real possibilities. The situation arises in which a middle manager signs a contract in which he assumes certain responsibilities without having the competencies necessary to fulfill them. Among the non-conformities of this type, we noted the situation in which the middle manager did not have direct access to logistics elements, although the fulfillment of his duties implied their rapid use. We have also encountered the situation of departments - finance or accounting - that needed early approved programming for IT service to complex processing systems strictly necessary to fulfill the calculation and reporting duties.

### **6.2. Staggering of vacation leave and the responsibilities of the middle manager**

We have encountered in state-owned companies in Romania both a wide autonomy of the middle manager in scheduling vacation leaves, as well as a centralized system for approving them. Formally, the centralized system cannot be considered from the beginning to be less ethical than the decentralized one. The problem arises when the number of restrictions introduced by top management is greater than the legal and statutory ones, and especially when it does not take into account the monthly fluctuation of job duties. We consider as being completely outside the ethical framework of the relations between top management and middle management situations in which, although the express requirements of the legal and statutory documents are respected, restrictions are included regarding the coupling of vacation days with national holidays or periods of prohibition of vacation leave unrelated to the development of specific business processes are included.

### **6.3. The correlation between the top manager's own response time and that required of middle managers**

A major ethical issue is related to the flow of information, data, reports or responses that circulate within a managerial process. It is obvious that the deadlines cannot be standardized, nor can a firm "equal sign" be placed between the mutual flows of the different hierarchical levels. The higher hierarchical level always invokes the larger volume of data it receives, the particular complexity of the processing, and their importance in the life of the company. However, there cannot be major discrepancies between the top manager's reaction to the requests formulated by the middle manager. Perhaps a ratio of one to two would quantitatively comply with the ethical requirements of this issue.

### **6.4. The correlation between the complexity of the requested problem and the response time required of subordinate departments**

Another ethical issue is the correlation between the complexity of the requested problem and the response time required of subordinate departments. It is very easy to make a list of failures of a manager to the extent that he is asked for answers in much shorter terms than normal given the complexity of the respective issue. It is natural to take into account whether a person who had the respective tasks in his job description is responding, if it is something repetitive, if there was a previous general warning about the respective issue.

### **6.5. The position of the department manager in disciplinary investigations for employee misconduct**

Current managerial science and practice places particular emphasis on the exercise of the duties generated by conflict management. Inevitably, slight conflicts between employees or tense situations between employees and management may arise in a company, in which case the middle manager can function to smooth over the situation. He can take over the employees' demands and pass them on to management, thus avoiding a deficient resolution of conflicts.

Calming down the situation most often lies in the abilities of middle management. In order to fulfill his role, the middle manager must be present in any type of disciplinary investigation concerning the employees under his/her command, and his/her opinion must prevail. The top manager can give another solution in a disciplinary investigation only if it is well motivated. Probably, the ethics of objectivity would oblige, before applying the legal and statutory framework of disciplinary sanctions exactly, to a careful reassessment of all the objective evidence existing in the file. We encountered an individual case representing a true paradox: the unmotivated cancellation of a disciplinary investigation file that required the application of a warning followed by the resumption of the procedure and the application of the same sanction, this time the top management file being approved. In such a case, there can be no question of future compliance with the ethics of the obligations assumed by the middle manager, because his duties that allowed him to fulfill his obligations were seriously violated.

### Conclusions

In order to avoid ethical non-compliances in the relations between top management and middle management, a higher level of detailing of hierarchical relations in any type of organization would be needed. There is a visible tendency to regulate in more detail where the progress of ethics has recorded non-compliances. Ethics alone cannot intervene directly when those who do not accept certain rules, but, based on research, regulations may appear that limit the risk of abuse. Regarding the activity of companies, we suggest that there be more detailed statutory norms regarding the relations between the levels of management. The cases of non-compliance with ethical norms between top management and middle management reported at the state-owned company in Romania may also be present at state or private companies in any country, but have not been the subject of scientific observation and analysis. There is nothing particular in the functioning of the state-owned company from which the managerial non-compliances were extracted, perhaps only the above-average sincerity of the respondents.

For a long time, violations of ethical norms in various fields have been masked by the disproportionate balance of power between the participants in social processes or by the advantages received by those against whom the violations were manifested. For example, the patrimonial and physical power relations between men and women have long made it impossible for women to claim equal treatment with men. In state or private companies, in Romania or worldwide, there may be balances of power between top and middle management that currently do not allow the notification of ethical non-conformities.

Norms of objectivity ethics, virtue ethics, rights ethics, ethics of assumed obligations, and performance ethics are widely accepted within companies based on corporate governance. Although the degree of detail of these norms is not sufficient to allow their use as a true "*Procedures Manual*", they nevertheless allow managers to be guided through ethical dilemmas within the organization when they are faced with complex decisions.

Ethics has evolved a lot in recent times, including through the emergence of specialized research fields. Within business ethics, the ethics of the relationship between the different categories of personnel involved has developed. More recently, we must also talk about the ethics of the relationship within the same category of personnel. Regarding the ethics of the relationship between the different levels of management, there are several elements to remember.

The time that the general manager allocates for analysis represents problems with each of the middle managers, and this aspect cannot be disproportionate. We do not support a standardization of the discussion schedule on the general manager's agenda, but neither do we support differences greater than from single to double.

Middle managers must benefit from stability or at least the predictability of the resources and skills they have. The agreements at the beginning of the mandate must be respected similar to contracts for the provision of managerial services.

There is no general hierarchy between the norms of management efficiency and those of ethics.

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