

**THESIS OF DOCTORAL (PhD)  
DISSERTATION**

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THE ROLE OF THE LEADER IN THE ORGANIZATIONAL  
EFFICIENCY – EMOTIONAL INTELLIGENCE AND WORKING  
METHODS/TECHNIQUES

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## 1. PRECEDENTS AND AIMS OF THE RESEARCH

The research-group of the University of Kaposvár was carried out researches under the leadership of associate professor Szilárd Berke with the title “Leadership practice in small and medium-sized enterprises and startups – success-thinking and marketing strategy decisions” within the scope of the EFOP-3.6.1-16-2016-00007 NK2 project from September 2017 until February 2019. The aim of the research **on the one hand was to map the managerial success-cogitation** - how they think about themselves, their enterprises and the several, main processes – and **on the other hand, the analysis of the value-adding processes** – looking for organization developing good practices.

The research analysed at least six different areas from the whole topic. From these the following territories were those, that I worked on: the emotional intelligence (managerial self-assessment and self-organization), strategic thinking and the pivotal value-adding processes. I have already done some researches in this topic (putting high priority on emotional intelligence, flow, happiness) in the previous years. I used these observations at the planning and accomplishing of the primer research too. The whole research had an exploration, ‘pilot’ character, because we did not find any validated questioner in the chosen context – that analysed all of the designated dimensions (Berke, 2019). We did not have any hypothesis; we have just perceived those problems that are typical for the SMEs– which majority can be found in managerial problems and the lack of thorough (managerial) learning. These were: the lack of the strategic and long-term thinking, the unpredictability and eventuality development of the value-adding processes, the lack of the self-assessment of the leaders and the mixed attitude of their self-organization.

The aim of the research was to reveal a general survey, to establish a ‘diagnosis’, which could be later a base for a national research. Because of this neither randomness nor representativeness was our goal and qualitative research has counted nearly with the same importance in the evaluation of the results as the quantitative procedure.

The chosen topic is many-sided, with extraordinary complex and diversified components. Because of this our research had an exploratory character and the aim of it was not to have any hypothesis, it was to assess of the situation and acquaint ourselves with the essential starting points and the characteristics of the essential behavior. Our target - in general – were the senior managers: not only “the excellent” ones but also all of them who are leaders of an organization and lead themselves and/or a smaller-bigger community, manage different processes and are responsible for the results.

### **1.1 Fundamental question of the research**

The fundamental question of the research could be phrased easily as follows: How do the Hungarian senior managers approach the excellence, the efficiency? How do they appreciate themselves, their characteristics and their working techniques? What kind of efforts do they make to be more effective as a leader and what do they do to make the company – which is led by them - more efficient?

### **1.2 Aims of the research**

Our main goal with the research was to get answers to the following questions:

- What do the leaders, who were involved in the research, think about that, how much efficient they are in proportion to their own expectations? They usually represent the SMEs sector and the microenterprises, where there is

considerable backwardness in the managerial field compared to the multinational companies.

- Is there any connection between that how much do the leaders avow themselves successful and the efficiency, excellence of the company which they lead? (awards, growth rate, etc.)
- Is there any connection between that how much do the leaders avow themselves successful and the amount of the experiential years when they have worked as a leader?
- How do they consider as a leader? (certain factors of emotional intelligence, principles, characteristics, analysis of strategic thinking)
- What kinds of techniques, good practices do they apply to increase their own and their company's effectiveness?
- How do they plan their working hours? What kinds of factors influence their time-management?
- Is there any connection between the organization's, leader's excellence (awards, growth rate, etc.) and the organization size and the amount of the employees?
- How do the objective, external measurement elements (for example TOP-list's participations, awards, growth rate, etc.) appear as the final result of managerial work in the certain managerial types (clusters)?

## 2. MATERIAL AND METHOD

### 2.1 Precedents of the research

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The research analysed at least six different areas from the whole topic. From these the following territories were those, that I worked on: the emotional intelligence (managerial self-assessment and self-organization), strategic thinking and the pivotal value-adding processes. I have already done some researches in this topic (putting high priority on emotional intelligence, flow, happiness) in the previous years. I used these observations at the planning and accomplishing of the primer research too. The whole research had an exploration, ‘pilot’ character, because we did not find any validated questioner in the chosen context that analysed all of the designated dimensions (Berke, 2019). We did not have any hypothesis; we have just perceived those problems that are typical for the SMEs– which majority can be found in managerial problems and the lack of thorough (managerial) learning. These were: the lack of the strategic and long-term thinking, the unpredictability and eventuality development of the value-adding processes, the lack of the self-assessment of the leaders and the mixed attitude of their self-organization.

The aim of the research was to reveal a general survey, to establish a ‘diagnosis’, which could be later a base for a national research. Because of this neither randomness nor representativeness was our goal and qualitative research has counted nearly with the same importance in the evaluation of the results as the quantitative procedure.

## **2.2 Methodology of the focus group research**

In the frame of the project there were two-steps examinations. On the one hand a chain of focus group interviews, which were conducted among the Hungarian entrepreneurs both in Hungary and Transylvania. On the other hand, there was a questionnaire. I was a primary member of the focus group examinations, I was personally there on the interviews and the data was processed by me for the first time in the fall of 2018 and for the second time in 2020 - with a new assessment process, which gave the opportunity to get high-detailed, deeper results.

As a ‘pilot’ research, we organized five focus group interviews in Hungary; in different locations with company leaders. Finally, the data of the focus group interviews contain the answers of 44 participant. The interviews were held between January and May in 2018.

To assemble the script, we take several writers’ work from different fields as a starting point, as an inspiration. Primary: Epstein, 1997; Goleman, 1995; Maxwell, 2007; Marques and Dhiman, 2017; Bennis and co., 2001; Bakacsi, 2004; Berde and Felföldi, 2004; Takács and co., 2018; Allen and co., 2016; Henschel and Heinze 2018; Ensley and co., 2006 and Rothstein and Burke, 2010.

Among the projective research techniques, the scenario included association games, card games and self-assessments. The extent of it was four pages, two



of it was test sheets, which was based on several methods (for example: Sinek, 2009; Covey, 2014; W.Chan Kim and Mauborgne 2014).

During the evolving of the methodology of the focus group interviews we followed – among others - the methodology of Berke and Kőmúves (2018).

The participants and the focus group interviews were found and organized based on the personal contacts of the research group members. 2-8 people attended on each interview, with whom we had a 1,5-2 hours long conversation. Records were made about these conversations. Based on the records, transcriptions were made, which was processed on the one hand nVivo program, on the other hand with qualitative analysis tools. More than 19 hours of interview materials were made, which typical had to be listened to two, sometimes three times in order to obtain all of the information from the records. The interviews were made based on a script, which stood from 3 block and all of them had some kinds of connection with the emotional intelligence. The first block had four questions: the first was an association game about that, what do they think, what makes a company and a leader successful, separately the two from each other. The aim of this was to collect buzzwords, which can characterize the successfulness. Asking these questions as an association game, we did not let them to be reminiscent, so they could give reactive answers, which express more precisely their thoughts about the successfulness.

The subject of the second question was connected to the strategy: what kind of thoughts, decisions did they have, when they started their enterprise? What kind of time interval did they have? We asked these as an opened question, because our aim was to collect the good practices, experiences, which could be a base to further publications, helping tools as trainings or coaching.

The third question was based on The Golden Circle model by Simon Sinek and it regarded the sequence of the What?Why?How? questions. We have made

three cards with these words and asked them to sort these and explain that, why they have chosen the given sequence.

The fourth question was connected to the leading values of the companies. Do they have any, and if they do, then do the employees know them? This question had opened type, similarly to the question about the strategy, to make it possible to the leaders to express and introduce their way of thinking better and more precise.

The second block also had four questions. The first was inquired about that, what are they doing to the efficiency of their enterprise day by day, so what are the good practices, with which they could increase the market efficiency. The next question was connected to the Blue Ocean strategy, the participants had to fill a multiple-choice paper. The test paper was made according to the 7. graph.

The third question was related to the daily things, what do they do for the efficiency and successfulness – according to Franklin Covey 7 Habits model. To this was attached a SWOT-analysis, which subject were the strengths and the areas, that should be develop. To the fourth question we also used Covey's model, but now suited to the time-management topic.

The questions of the third block aren't part of the dissertation.

In order to process the data, I partially used the NVivo qualitative data analysis system. At first, I uploaded the transcript of the interviews, then I collected the answers of the certain questions and analysed the frequency of these – if they had. Besides of these, I used the qualitative analyses tools too. The advantage of the NVivo data analysis system is, that it makes possible the hierarchical categorization and the controlling of the conceptual structures (Szokolszky, 2004).

### **2.3 Methodology of the questionnaire**

The quantitative examinations took place after the qualitative examination. We asked company leaders, senior leaders to fill our questionnaire. It was not random, nor representative, because it was hard to reach and mobilize the senior leaders and proprietors in favor of the research. Neither the research plan included this as an expectation because we knew that this special target group can be reached difficultly and the unrevealed character of the target area of the research. We made an attempt to send the questionnaire to more address-list, for example to the list of the chamber of industry and agriculture with the support of HSZOSZ or to the list of the local organizations of BNI but the respondent-willingness was almost immensely low, although we pulled out the period of the retrieving phase. Because the questionnaire did not appear between the undertaken mandatory tasks, it appeared only in the research plan, the main results were phrased by the research group based on the focus group interviews.

I made the managerial questionnaire in Google Forms based on partially the processed focus group interviews, partially the found results in the professional literature and international practice and partially the first version of the research group's questionnaire. The questionnaire contained 45 questions, closed and opened type equally, and also the so-called confidential ones too. The content of it was organized as follows:

- usually questions about the company's size, location, effectiveness and efficiency,
- usually questions about the leaders' gender, age, qualifications, competences and experience in leadership
- directed questions in aspect of the organizational excellency

- directed questions regarded to leaders' excellency. The questions were classified to the following themes – related to the emotional intelligence, put a high priority on self-knowledge and self-organization
  - principles
  - working techniques
  - self-organizations
  - tools usage
  - time management
  - managerial thinking
  - value adding processes

In one set of questions usually were 7-9 claims, which the participants had to mark on a 1-5 Likert-scale, depending on how much the given claim is or is not typical to them.

Excellency and success are those questions, which could hardly hold or clarify because of there are exceptionally subjective and complex correlations behind the definitions. In the literature we could see that success could be defined in many ways, but there isn't any index number or formula with anyone could easily determine it and according to that, "labelling" the companies. The everlasting dilemma appears between the accounting approach and the financial result. Both based on that the financial results determine the successfulness, but the subject of the debate between the two approaches is the question of the value of the time. It means that: Is it possible to make any conclusion according to the former accountancy numbers or should we correct it with the time-factors? The modern times profession expands it with the organizational behavior. Because of these, arises the question, how could we measure it? What kinds of key factors could influence the corporate

performance and what kind of value should they have to say to an organization that it is excellent. The conventional performance measuring methods are based on the financial indices, whereas the new methods are complemented with the strategic, the fulfilment of the aims and the changes, which are generated by the competitive market.

From this approach we planned to establish the determining of excellency to those already achieved activities, which highlight the company from the others. These are: awarding, belonging to the TOP 100 or TOP 500 companies and we took the export activity, as a measuring index, because we think that a successful challenge at the export competitive market is an eminent result criterion. Besides of these, we asked questions about the market share, growth rate, efficiency and the amount of turnover to confirm or disprove the statements.

In the examination 148 people could be involved, partially because of the hardly availability, the low respondent willingness and partially maybe because of the confidential characteristic of the questions and the big extent of the questionnaire (it needed circa 25-30 minutes to fill in). One of the aims of the questionnaire was to get to know the thinking of the Hungarian leaders, the self-organizations techniques and the time-management behavior – all of them correlate with the excellency and efficiency and to complete and enrich the already existing academical and market factual knowledge with these, new information. In the questionnaire we built in the results of the focus group interviews with that goal to analyse that, how much do the leaders use those good practices, which they learnt there. On the other hand, we were searching for the answer to that question, how much do they know and use or built in the daily practice in the professional literature already disclosed managerial habits, techniques and those traits and skills, which make them more successful.

### **2.3.1. The characteristics of the research process and sampling**

I started the questionnaire again between May 2019 and March 2020. I took over the original questionnaire, which was used by the research group, which editing I was involved too. The questionnaire was based on the results of the focus group interviews, the topics were the same, those questions were left out, which were not tightly suitable to my PhD theme. Conversely, those good leading practices, “best practices”, which were collected at the focus group interviews, were built in the questionnaire.

On the independent market survey, I got aggregate 148 appraisable questionnaires through the Google Forms from senior leaders, after personalized invitation. It was the specificity of the research process, that those leaders got an invitation per e-mail, phone or message to fill the questionnaire, whose were already appeared on the lists before or were the member of the personally relation net. I found this solution adequate to compliance the goals because of the reveal-character of the research. It was a significant change in the survey compared to the focus group research that the participants of the questionnaire phase were exclusively Hungarian company leaders.

We wanted to analyse a complex economic/corporate problem with the help of the survey. Because of it we used a variance- (PLS) based modelling (Kemény, 2015.), not the probability sample purchasing, the arbitrary (send to a pre-arranged address-list) nor the expert (judging sampling) (Majoros, 2010). In this case the minimum number of the elements are between 30-130, according to the literature.

“Because of the problematic target group or research circumstances, that sample, which minimum consists of 60-70 elements, could be acceptable.” said (Lázár, 2009.).

(Malhotra, 2001) concretizes the statistically “big” sample in 80 elements.

The company leaders, as a target group, count difficulty available public. I made an introspection to the market practices and the results are similar: an income-forecast of IMF was based on the answers of 2 766 senior leaders from 21 country in 2018. These mean a sample with 131 participants per country.

The Fujitsu asked 1 200 corporate senior leaders from 9 country in 2016, that means a sample with 133 participants per country.

The Piac és Profit talked about a survey in November 2018, which covers 2 600 senior leaders from 45 country, that means 58 participants per country. Ernst and Young had similar results.

(Bányai & Sipos, 2019) named similar problems from the field of the academical examinations. In their case the number of the base-multiplicity was 916, but they could realize only 103 appraisable answers after a more-step approach/promotion.

The GDPR regulation, which was promulgated in May 2018, raised the number of the difficulties. Despite these facts we could reach the lower bound of a big sized sample, because the number of the incoming questionnaires was 148.

Because of our sample-multiplicity was smaller than 200-300 and contained sampling mistakes, we took advantage of the exploratory character of the research, so we looked for correlations and reasons between the different features.

### **2.3.2. The applied procedures to the evaluation of the research data**

I evaluated the data in groups with statistical methodology, based on personal features of the respondent leaders and the parameters of the organizations. I analysed the questions of the questionnaire with arithmetic mean, distribution coefficient and organizing the answers into groups depending on their nature. I used SPSS program to the analysis. In some cases, classifying the answers were necessary in favor of processing the data better. Because of this, some

additional row was created. The sum of the classifying rows are equal to the sum of the main multitudes – partially multitudes were created according to the classifying criterion variants based on the every data of the statistical multitudes.

I analysed the data with using quantitative and qualitative rows. The quantitative rows represent the distribution according to the numerically expressible criteria, the qualitative rows represent the composition and the structure of the main multiplicity according to the partial multiplicity.

With introducing the basic data of the analysis, my intention is to feature the examination sample. During the characterization I use two different approach: I introduce the companies according to their parameters (location, industry, age, amount of turnover, growth rate, amount of the employees), and the leaders according to their own leader characteristics, features (age, qualifications, gender, competence, leadership experience, number of subordinates). I apply describing statistical methodology and distributional examination because the distribution coefficient expresses the rate of the certain parts from the statistical multiplicity compared to the whole multiplicity.

### **2.3.3. Introducing the examinational materials**

The examination was materialized in two phase. On the one hand, with the focus group interviews, where were 45 participants and on the other hand, with the processing of the data of the 148 electronical filled questionnaire – which was based on the results of the focus group interviews – through the platform of Google Forms. The results of the two examination forms include the examinational material.



### 3. RESULTS AND THEIR ASSESSMENTS

The research lasted for little more than two years. The focus group interviews were organized between February and June in 2018 and the questionnaire was opened between May 2019 and March 2020. I processed the results of the quantitative and qualitative researches separated. I have started with the qualitative research, because it was prevented in time the questionnaire research. The data processing of the research is not fully comprehensive, because it's content is too large to a doctoral dissertation. Because of this, I have processed those data, which have tight correlate to the ground question of my research.

#### 3.1 The results of the focus groups interviews

The participants gave the following answers in terms of a successful enterprise: **faultless strategy, sustainability, efficiency, partner-centered view** as a “hard” factors, and **quality of life, safety, “stay on foot”, development, love, correctness, purposefulness, consistence, coherence, knowledge, accommodation** as “soft” factors.

They marked the empathy, efficiency, purposefulness, effectiveness, situation dependence, commitment, balance, humility as the traits of a successful leader.

As the defining factors of strategy-creation and as the influential factors of the leading values, they mentioned the **passion, intuition, happiness, longing for freedom, faith and confidence**, which are the nature of those people, who possess with high-level emotional intelligence.

In the case of the good practices, it was common the **task manager system** – with technical support, and the continuous and **conscious communication**.

With regard to the managerial time-management the participants classified the **administration, bureaucracy, the time, that they spend on the unnecessary correspondence, communication and travelling** among to that activities, what **they would like to reduce**. Those activities, what they **would like to increase**, have got the biggest number and standard deviation, but classifying them, we get the following answers: **self-development, increasing of self-efficiency** (for example: reading professional books, attendance on conferences); **development of the colleagues and increase their efficiency, strengthen the teamwork; improvement of the working conditions and increasing of the working-mood and motivation**. Besides of these, there were a few thoughts, which related to specific marketing and customer acquiring activities. Among the activities, that need more planning, got especially the longer-term plans and more specific activities that are related to the strategy.

### **3.2 Results of the questionnaire**

The half of the organizations, which were involved in the examination, can be found in the service industry; 16,9% of them in the public sector. Other industries were represented: manufacturing industry, commerce etc. The regional distribution formed as follows: the biggest rates had Dél-Dunántúl (35,1%) and Közép-Magyarország (31,9%) but Dél-Alföld (16,9%) and Nyugat-Dunántúl (10,1%) were also represented as three more regions with smaller rate. By the age of the companies were represented as follows: the young companies, under 5 years old (23,6%), 11-20 years old companies (23,6%) and the 21-30 years old companies (22,3%), so the distribution of the different ages are similar to each other. The distribution of the number of the employees are the followings: 45,3% are between 0-9 people, 21,6% are between 10-49 people and 50-249 people, but in smaller rate those companies

also were represented, which have got more employees. In the aspect of the amount of the turnover, the companies were represented until over 10 milliard HUF, larger rate had those companies, who have got 10-50 million HUF per year (19,6%), under 5 million HUF per year (16,2%), over 10 milliard HUF per year (14,9%) and between 50-100 million HUF per years (12,8%). We made a classification based on the growth rate: the majority had adequate growing (43,2%), and similar rate had the stagnant ones (255) and the prominent growing ones (24,3%). 77 percent of them are profitable. According to the SMEs categories, there were decisively microenterprises (45,3%) and small sized enterprises (37,2%). Half of them were family business, but with a very small rate the start-up companies (14,9%) were also represented. 61,5% of the represented companies do not have any export activities; 12,9 percent of them are on a TOP-list and according to the growth-rate, 64,9 percent of them increased in the last year.

### **3.2.1. The applied independent (market) key performance indicators to the measuring of the organizational excellency and their assessments**

We analysed the respondents from two aspect, as an organization and as a leader.

In the followings, I report the most important results based on the structure of the dissertation hitherto. The question, which I was looking for the answer in this part was: how much of the leaders from the participants belong to the category of excellency according to their own conceptions? To the measuring of the organizational prominence, we applied the following key performance indicators (value indicators), supposing, that these are objective adequately and capable of classifying, who perform better, from those, who perform averagely. These were: placing on a “TOP-list” (prominence list); awards and appreciations; export activity; the trend of the leading position on the market

and the market growth rate. The majority of these examine the results inherently from a financial point of view, and this question block had high priority. In case of that, if there is anyone between the organizations from the sample, who performs well on these independent challenges, then we could take the opportunity to analyse the connections with the human factors – with focusing on those, who perform eminently well.

### **Awards, appreciations**

We asked the question: Have the organization won any awards in the last 5 years? From the 148 respondents 102 (68,9%) have not got any awards, so 46 respondents (31,1%) have received some kind of award. During the analysis, we examined the connection with all of the unobserved latent variables. We found significant correlation in functions of the SMEs categories, the age of the company and the amount of the turnover.

The 1. table contains the results.

**1. table: Examination of the correlation in function of the last 5 years awarding, appreciations, rewards (n=148)**

<b>What kinds of awards, appreciations have you/your organization been rewarded in the last 5 years?</b>							
	<b>Have not got</b>	<b>Have got as a person, from external source</b>	<b>Have got as an organization</b>	<b>Have got as a person from the employees</b>	<b>Total</b>	<b>P</b>	<b>Cramer's V</b>
<b>How many employees does your organization have? (including yourself)</b>							
0-9 people	54%	46%	13%	67%	45%		
10-49 people	23%	15%	20%	33%	22%		
50-249 people	10%	15%	30%	0%	14%		
250-500 people	7%	15%	10%	0%	8%		
501-1499 people	3%	0%	7%	0%	3%		
>1500 people	4%	8%	20%	0%	7%		
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>0,024</b>	<b>0,249</b>
<b>SMEs categories</b>							
Micro	54%	46%	13%	67%	45%		
Small	33%	31%	53%	33%	37%		
Medium-sized enterprises	6%	15%	13%	0%	8%		
Large company	7%	8%	20%	0%	9%		
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>0,028</b>	<b>0,208</b>
<b>How long have the company (represented by you) been operating?</b>							
under 5 years	29%	0%	17%	0%	24%		
between 6-10 years	19%	8%	7%	33%	16%		
between 11-20 years	25%	38%	13%	33%	24%		
between 21-30 years	21%	23%	30%	0%	22%		
over 31 years	7%	31%	33%	33%	15%		
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>0,006</b>	<b>0,249</b>

	Have not got	Have got as a person, from external source	Have got as an organization	Have got as a person from the employees	Total	p	Cramer's V
<b>How many is the annual turnover of your company?</b>							
under 5 million HUF	23%	0%	0%	33%	16%		
between 5-10 million HUF	14%	8%	3%	0%	11%		
between 10-50 million HUF	17%	38%	17%	67%	20%		
between 50-100 million HUF	16%	8%	7%	0%	13%		
between 100-500 million HUF	7%	8%	3%	0%	6%		
between 500 million 1 billion HUF	5%	8%	10%	0%	6%		
between 1-5 billion HUF	7%	0%	27%	0%	10%		
between 5-10 billion HUF	3%	15%	0%	0%	3%		
over 10 billion HUF	10%	15%	33%	0%	15%		
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>0,001</b>	<b>0,335</b>

Conclusions:

- Depending on the number of employees the rate of the awarded companies is increasing, but not proportionally.
- **in line with the size of the enterprises rise the chance of the awarding**
- so as **larger past has an organization**, as bigger is the chance of the rewarding, or being rewarded.

## **Belonging to a prominence list**

To the question, that the organization is belonging to the TOP 500 companies in Hungary – which counts one kind of “independent” key performance indicator, 19 people (12,9%) gave yes as an answer, or “I think so, yes”. 79,1%, so 117 people surely not belonging to there, and 12 people declared about that they do not know. So, approximately every tenth asked organization got some kind of appreciation, which allow(ed) them to be on some kind of prominence list.

Conclusions:

- **as more employees has the organization**, as bigger is the chance to be on some kind of prominence lists.
- **with the process of aging is increasing the rate of belonging to the TOP 500 (or to other TOP-lists)**

## **The role of the export**

In the followings we examined the organizational unobserved latent variables with the context of the export activities, supposing that, if a company is capable of exporting their final product, than its performance is over the average on the market anyway. To that question, that the organization have got any export activity 49 respondents gave yes as an answer, so 33,1% of the examined companies. 91 (61,5%) companies do not export at all and the number of those, who have already started the organizing of the export activities are infinitesimal – 2 companies (1,4%) have started it and 6 more (4,1%) have been thinking on it. Overall, we can see, that **in the highest turnover categories the export activities are characteristic in any case.**

## **Analysis of the occupied position on the market (positioning)**

As an important factor of the excellency, we tried to examine the occupied position on the market with the following question.

Because in the questionnaire we did not give any separated explanation to that, what kind of totality of indices do we understand below the answers and because of the diversity of the respondent's professional background, we analysed the ensemble of the three indecies in wide interpretation during the connection-examinations. We asked the answer classified in 5 categories, which were the follows (2. table):

**2. table: Analysis of the occupied position on the market (n=148)**

	<b>Distribution, %</b>
<b>We are market leaders with decisive influence</b>	7,4
<b>We belong to the defining actors</b>	42,6
<b>Probably average, small performance is characteristic to us</b>	40,5
<b>We are lagging.</b>	5,4
<b>We are loss-making, we are fighting for survival</b>	4,1
<b>Total</b>	100,0

Merging of the categories, our opinion is that the number of prominently efficient companies is 74 (50%) and the lagging and the loss-making are only 14 (9,5%). The leaders of the remaining 60 companies (40,5%) attributed to their organizations an average performance. The conclusions of the connection-examinations with using unobserved latent variables:

- **the strength of the market position increasing in line with the number of employees;**
- **the quantity of the market contest-power is closely related to the size of the company;**



- the **more heightened the growth rate, the more the company belongs to the market leaders, or to the defining actors** – and reverse.
- all in all, those, whose annual turnover is over 500 million HUF, represent bigger rate between the excellencies (market leaders and defining organizations).

### **3.2.2. Human factors of organizational excellency**

In the professional literature, I dealt with the concept of leadership, I tried to go around that question, how do the leaders affect the effectiveness of the organization. According to the research of Darling (1999), the primary source of the managerial successfulness is that ability, how could we handle others effectively and sensibly. This, extended with the other features, which was listed by Patel and Northouse, confirms that conclusion, what Bennis – the president of The Leadership Institute – observed, according to that, the leaders “evolve”, not born. Obviously, when a personal factor, the individual gets before a microscope of a research, than we meet with a comprehensive, complex field, what is not easy to summarize shortly.

Although the blocks and the questions of the questionnaire encompassed a very wide field, I picked out few themes from these, because of the volume. Principally those, which have got emphasized significance from the point of view of the emotional intelligence. These were: the way of thinking, working techniques and time management, which were approached from the side of the managerial self-assessment.

74,1% of the respondents were senior leaders, 41,9% of them were women. This rate is higher than the average rate of the women leaders in Hungary – this was 34,2% in 2017, according to a research (Bisnode, 2017). From the

point of view of the age, the highest rate has the 40-49 age group (33,1%) and the age groups below and above this: the 30-39 age group (29,1%) and the 50-59 age group (27%). In our sample, the rate of those, who have got higher education qualification is 82,4%. This is much higher, than the relevant data from the KSH survey of the labor in 2017, where the average of the leaders, who have got higher education qualifications is 55%. (Nagy & Sebők, 2017). Examining of the qualifications, we can see the followings: the rate of those, who have got a degree in some kind of economic field (33,8%) and engineering field (30,4%), are similar to each other. In the third place is the field of the human science (22,3%), which could be attributable to the interest in our research too. The decisive majority of the participants are owners (59,5%), including 25,7% are “one-person” owner and 73,7% are leading a majority Hungarian property enterprise. Thanks to the high rate of the micro-enterprises, the number of the subordinates were between 0-9 people by the 73% of the participants. In aspect of the managerial experience, the distribution between the chosen areas are proportionally harmonized.

### **Analysis of the managerial mindset and features**

Examining the managerial excellency, the mindset of the leaders is an important topic. Taking the model of the emotional intelligence as a basis, we applied 4 blocks of questions, which are comprised of the following part-themes.

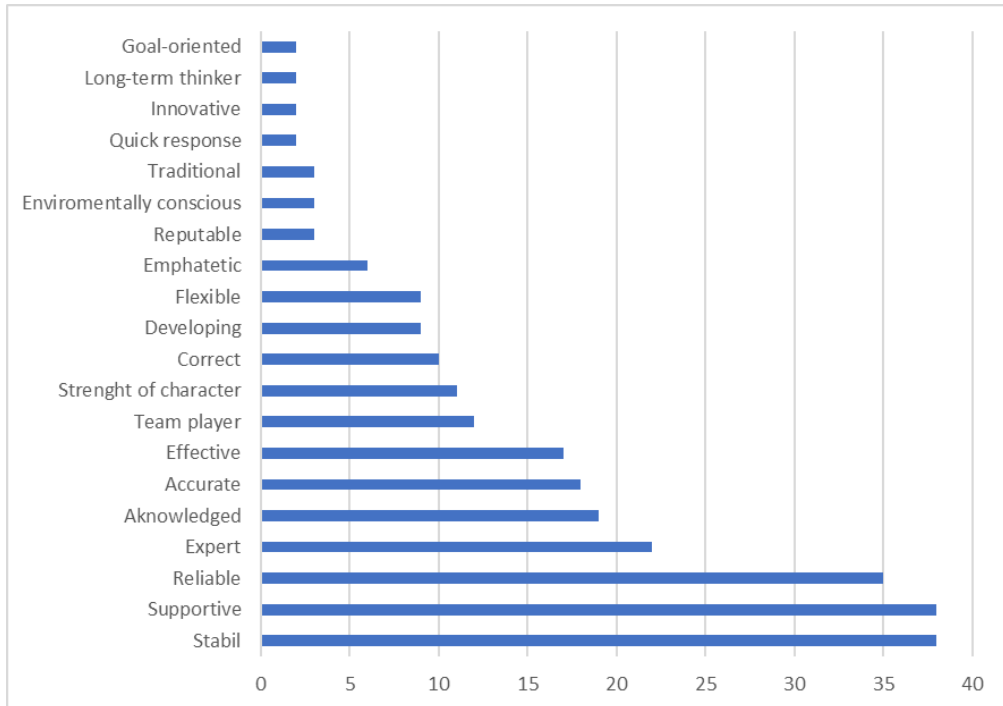
- managing values and traits, which daily motivate the leaders;
- on what kind of principles do they base their work;
- how do they think about themselves, their colleagues and the organization as a leader;

- what kinds of daily practices do they have, what could we call to good practices in favor of being more effective.

In each block, there were 7-9 claims and the participants had to give answers with marking 1-5 on a Likert-scale, from the “*absolutely not true*” to the “*completely true*”. The first question is an exception, because it was regarded to the managing values and was an opened one.

#### Important traits – according to the leaders

**Creating and sharing values** is one of the elements of the measuring tools of managerial excellency. We asked the participants, what kinds of managing values are important to them, which motivate them every day to get up as a leader and to manage their enterprise. We asked all of this in order to see what kind of thoughts do they have about the values. The answers had to be given in one word and they had to list the three most important presumed by them. We got 261 answers to the question and I tried to classify these in that way (1. graph) that I merged those claims, which overlap one another.



**1. graph: Important traits – according to the leaders**

Managerial principles and mindset samples in the management

In the followings, examining the managerial principles further, we have chosen eight principles, which are elements of the emotional intelligence. Beside of this, based on the focus group interviews, we emphasized these and asked them about that, how much do they find these right to themselves, as a leader. In the dissertation I'm going to give account of those results only, where I have found significant correlation between the given claim and one of the unobserved latent variables.

**3. table: The assessment of the claims regarding to the managerial principles, on a 1-5 scale (n=148)**

Claims	Average	Standard deviation
I lead the enterprise according to the principle: „ Be better, rather than cheaper”	3,94	1,321
I try to realize the things cheerfully, whatever happens.	3,77	1,101
The best feedback from my personal excellence are the market results of the company.	3,26	1,491
I build that kind of enterprise, which offer assured subsistence to the next generations as well.	3,32	1,591
The long-term modest profit, which can be hold stably, is a better strategic aim than the quickly gained, high profit, which is sustainable for an insecure time.	3,86	1,403
The welfare of the colleagues is so important than the long-term profit.	4,57	0,858
The best feedback from my personal excellence is the satisfaction of my colleagues.	3,69	1,428
As a leader I do something to feel myself good day by day.	3,81	1,258

According to the 3. table the most characteristic principle to the leaders is the **team-principle**, that the importance of the colleagues’ welfare is similar to the importance of the long-term profit. This is interesting, because the standard deviation of this answer is the smallest (0,858). They think least of all, that the market results of a company ensure the managerial excellency, respectively that the enterprise could be sustainable for generations.

Examining further, I looked that, what kind of connection is between the managerial principles and the unobserved latent variables. We learnt that by every examined claim, that the profitable companies find the claims true to themselves at higher rate. It means, that the leaders of the profitable companies find the welfare of the colleagues more important and chose the “Be better, rather than cheaper” principle than the **managerial excellency trait**. They pay

more attention to their own welfare, but they also pay attention to the satisfaction of their colleagues too – these all refer to a **high-level emotional intelligence**.

The features of the managerial excellency: the answers of the Northouse fundamental questions

We analysed the managerial mindset with 9 claims and 1-5 Likert-scale answers. The average and the standard deviation of the answers can be seen in the 4. table:

**4. table: The assesment of the claims regarding to the managerial mindset, on a 1-5 scale (n=148)**

Claims	Average	Standard deviation
I am sensitive to the disapproval and the refusal.	2,84	1,299
I think in results.	4,30	0,967
I try to focus on the actual task, I cannot be distracted from that.	3,56	1,032
Maybe I am superstitious, but I believe for example in the bad signs.	1,65	1,228
If I fail, my self-assessment surely gets injured.	2,39	1,302
I build my mindset on the already evolved, well-tried samples, regularity.	3,05	1,183
I think comprehensively and widely, I see the whole picture.	4,26	0,978
I take the challenges optimistic, it does not matter, if it is beyond my power.	4,07	1,008
I do not waste my time for unproductive thoughts.	3,03	1,319

As it turns out from the answers, the most characteristic for the managerial samples the **“thinking in results”** as an excellency trait, as well as the comprehensive **“plane approach”** and the **optimism**, which refer to a high-level emotional intelligence. The biggest difference is in the aspect of the unproductive thoughts.

Empathy, loyalty and communication – the assessment of leaders’ habits according to Franklin Covey 7 habits

Finally, the next question block request answers for further claims related to the emotional intelligence. We use 9 claims, two times. The question was that, how much do they think on a 1-5 Likert scale, that the given claim is characteristic to them - from the absolutely not true to the completely true. To assemble the questions, we used as a basis the 7 habits system, represented by the Franklin Covey organization, who were cooperative partners in the research group process.

Take a look at the distributions in the 5. table:

**5. table: The assessment of the claims refer to the daily practices, on a 1-5 scale (n=148)**

Claims	Average	Standard deviation
I control my feelings and my acts.	3,91	0,903
If I made a mistake, I apologize for it.	4,47	0,812
I do not overrule the conversations; I make possible for others to share their opinions.	3,97	1,088
I am flexible and open-minded to try new ideas.	4,47	0,742
I inquire about others honestly and try to build long-term relationships.	4,34	0,900
I make steps to develop my individual traits and skills, if its needed.	4,26	0,836
I am loyalty to those, who are absent. (I do not criticize them behind their back.)	4,11	0,853
I explain my point of view clearly, even then, if I stand against a different opinion.	4,40	0,814
When I give a negative feedback, the people do not feel that they should defend.	3,52	1,033

There are three claims, which have typically high average, so we could say that these are characteristic referring to our sample. All of the three declaration refer to a high-level emotional intelligence: **the willingness to apologize,**

**flexibility, the openness to new things, the honest inquiry about others** and the **clearly explanation of their own point of view** supposing good self-assessment. The highest standard deviation has the instinct for defense in the case of negative feedback.

Dedication, roles, team work and self-organization, other managerial habits

If we examine the further habits of leaders (6. table), we can see that the additional nine claims are greatly characteristic for all of the asked leaders:

**6. table: The assessment of the claims refer to the daily practices, on a 1-5 scale (n=148)**

Claims	Average	Standard deviation
I see clearly, what I would like to reach in the life.	4,19	0,950
To accomplish the tasks, I fill in an initiative role.	4,45	0,827
I plan ahead to avoid that I should work in crisis management.	4,01	0,915
I take care of finding that kind of solution, which is good for everyone.	4,30	0,812
I begin every meeting with the accurate knowing of the agenda.	3,39	1,388
I am able to say no for other's requests if it is needed.	3,91	1,115
I usually ask those too in a decision situation, who have got different opinion.	4,16	0,938
I spend time for taking care of my physical welfare.	3,43	1,315
I spend time for finding the joy and the sense of life.	4,07	1,119

The initiative role and the empathy (“I take care of finding that kind of solution, which is good for everyone.) are outstanding. The biggest standard deviations are in the answers by the organization (“I begin every meeting with the accurate knowing of the agenda.”) and by the “me time” management (“I spend time for taking care of my physical welfare.”)

**Examination of the managerial working techniques**

We collected and put in the questionnaire 6 claims about the managerial working techniques. The 7. table contains the trend of the answers:



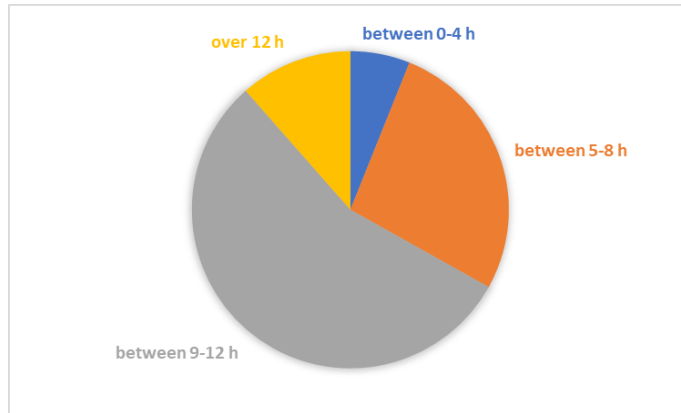
**7. table: The assessment of the managerial working techniques, on a 1-5 scale (n=148)**

Claims	Valid	Average	Standard deviation
As a leader, one of my important tasks is no to compete with the prices but to compete with the difference, with the „different factor” – for example with better services, better quality, so with those what we are better in than others.	140	4,44	0,850
I surround myself with people who are motivated from inside, because being motivated from outside lead to results only for a short time.	143	4,24	0,890
It does not matter, how much effort is needed, only the achieved results matter.	145	3,36	1,104
I work overtime regularly, not out of necessity, but because of the extra worktime create extra values and it contribute to our success.	140	3,48	1,255
Those labour processes, which I could, I have already delegated to the subordinates.	136	3,45	1,114
Those processes, which could be automate, work already in that way.	132	3,21	1,223
I ask feedback continuously from the colleagues about that, what do they think about me as a leader.	130	2,89	1,399

From the working techniques the focus of the “**difference factor**”, which is the hallmark of excellency, was typical to the managerial samples. The biggest standard deviation was discernible by that claim, which has the lowest average too, the **distrust**, that they ask feedback continuously from their colleagues, about themselves as a leader.

### **The examination of the managerial time management**

Another list of questions was presented in the questionnaire from Covey’s book, the 7 Habits of Highly Effective People, specifically about the third habit, the time management. This is the element of the emotional intelligence too, maybe the most important, concerned the self-organization. The first asked question was that, how many times do they spend averagely on work? The distribution can be seen on the 2. graph:



**1. graph: The amount of time that the leaders spend on work on an average workday (n=148)**

From the graph could be seen, that more than the half of the leaders (55%) spend 9-12 hours with work. Only 6% of them is those, who work less than four hours, and 12% of them work more than 12 hours. This compared to the international practice, we can see that the English leaders work averagely 7,5 hours, as overtime per week (Chartered Management Institute, 2018). It is one and half hours daily, so it falls into the 9-12 hours lane, which was revealed by us too. The survey of Harvard University from 2006 has similar results: 9,7 hours, as an average daily worktime by the senior leaders (Berger, 2018), even though, that in the international level steps are made to reduce the weekly worktime, because researches confirm that, on the one hand relaxing is very important to the efficient work, on the other hand, that not the working hours proof the performed work, but the results. There are several initiatives, for example in Sweden to introduce the 6 hour-long workdays, in New Zealand the 4 workdays per week and there are places, where they try to divide the daily 8 hours in that way to put more relaxing time in it slightly. (Mohan, 2019)

Based on Covey's (2014) model, we made a time-management matrix with the request to the respondents, that in every quarter give a percent rate depending on, how many time do they spend there. In the first quarter were the urgent and

important tasks, in the second were the important but not urgent ones. In the third were the urgent but not important and in the last were the not urgent and not important.

We analysed the results with the ABC diagram, suggested by Stephen Covey. The method was worked out by the Italian economist, Vilfredo Pareto. He realized that, the 80% of the economy of a country are centered only in the 20% of the population. He created the 80/20 rule, which is known as the Pareto-analysis, or the ABC-analysis. The principle of it is that the great part of the effect could be adumbrate from some provoking reasons.

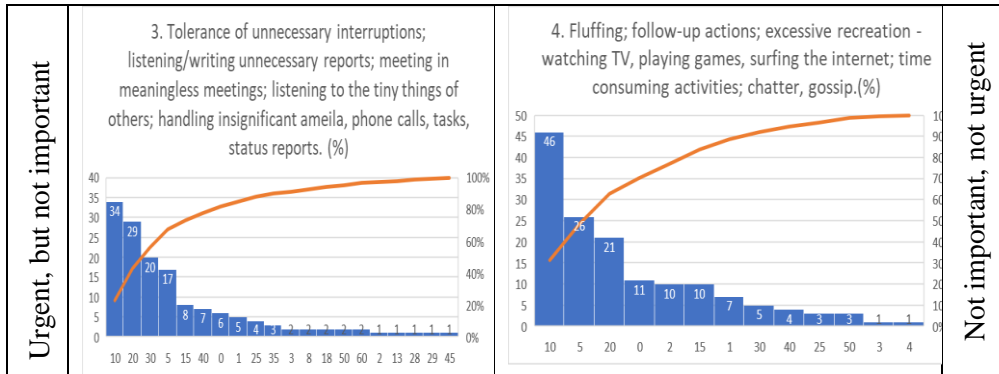
The aim of the method is:

- to separate the relevant information from the irrelevant and to reveal the inequality
- to recognize those situations, which have the most problems/phenomena
- to recognize the reasons of a certain problem/phenomenon (Kása, 2004)

It is already used outside the economy, especially in logistic, but it is used in other professions: among others in decision theory, management and coaching.

The results were the followings (3. graph):





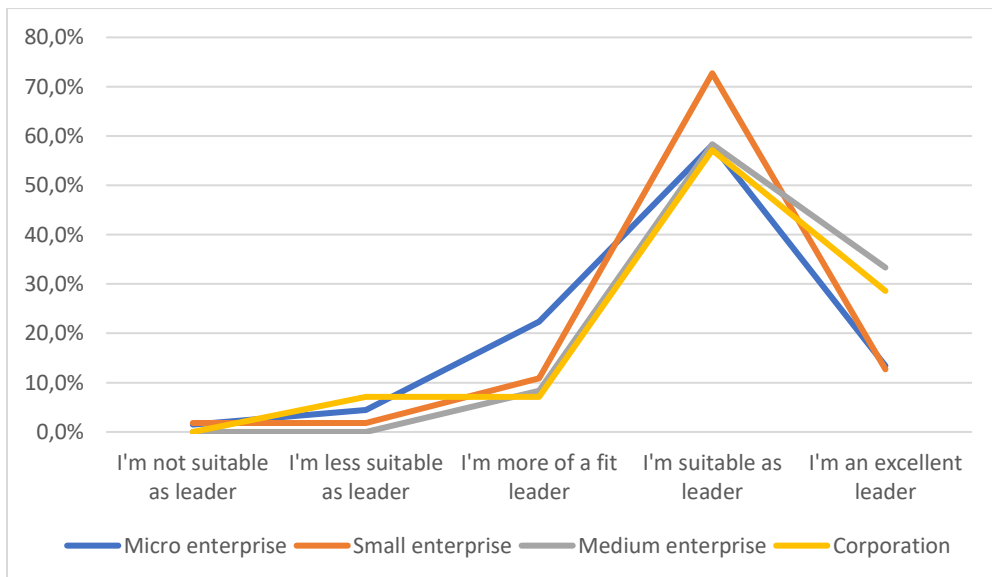
**2. graph: Franklin Covey 3. habit – the practice of managerial time management (n=148)**

In the first columns of the graphs, we can see those observations, which have the highest percent incidence. So, if we take a look at the first quarter of the graph, we can see those answers, in which cases the leaders chosen that they spend 20% of their time with the urgent, but not important things. There were 28 cases from this, and it explain more than the 25% of the cases. This was followed by those cases, which marks the 10%. The orange line shows the rate of the cumulated explanations.

#### 4. CONCLUSIONS AND SUGGESTIONS

Despite of the national economic importance of the smaller companies, they are still lagged behind the large companies in aspect the quality and excellency – according to researches (Demirbag and co., 2006; Herzallah and co., 2014; Sternad an Co., 2017). The reason of this, according to Sternad and co., 2017, is that the SMEs still hesitate to consider comprehensive managerial systems, which help to monitor the quality and support the organizational and managerial excellency, because of their limited financial, time and human resources. To this contribute the lack of the awareness and understanding, as well as the attitudes of the leaders and concept fears too – according to Murphy and Leonard (2016).

In the questionnaire we asked the question: how much do they think themselves excellent on a 1-5 Likert scale? The average was 3,9 (the standard distribution = 0,754), so the respondents find themselves capable to be a leader, but only 16,2% qualified themselves excellent. On the 4. graph can be seen that the leaders of medium-sized and large enterprises find themselves excellent, as long as the leaders of small and micro-sized enterprises find themselves excellent in a much smaller rate.



### 3. graph: Managerial excellency depending on the size of the organization (n=148)

We can conclude from this to the following: the micro- and small-sized enterprises have got truly backwardness in the field of management in proportion to the multinational companies. The reasons, which lead to this, would be worth to examine henceforth deeper to be able to provide directed help, consultation to the leaders of micro- and small-sized enterprises in order to develop their efficiency, because they have significant impact on every country's national economy. It makes more difficulties, that only 10-15

percent of the leaders receive training and even fewer of them (5-10%) avail themselves of coaching. It would be suggested to support centrally the trainings, the leading development programs and to share the good practices in wider circles for free. Because in qualification they do not have any backwardness in proportion to the leaders of large companies, the further education and the adult education could be suggested too.

Compared the claim, that how much do the leaders think themselves excellent with the profit, the growth-rate and the market influence, we are able to determine more conclusions. We discovered that it shows significant connection with the profit ( $n=148$ ,  $p=0,001$ ,  $Cramer=0,354$ ). It means, that 17,54% of the leaders of the long-term profitable organizations describe themselves as an excellent leader; 65,78% of them as absolutely competent and there are noone, who find themselves less competent or incompetent. The leaders of the non-profitable companies gave the following answers for this question: 20,54% of them do not, 55,88% of them find themselves „just” competent to be a leader.

Although the examination do not show any significant correlation between the growth rate and the managerial competent, the results are informative. All of the leaders of the „rocket-mode soaring” companies find themselves competent to be a leader, respectively the excellent ones. The leaders of those companies, which are growing significantly, declared similiary, only 3% of them do not find themselves competent to be a leader. In the stagnant and decreasing categories the rate are much smaller: by the stagnant companies the 13,51% of

the leaders, by the decreasing companies none of them think themselves to an excellent leader.

36,36% of the leaders of the market leader companies find themselves excellent, 54,54% of them find themselves competent to be a leader and there are no one, who would find themselves less competent or incompetent.

The rate is similar by the defining market actors. The results are well demonstrated on the 5. graph:



**4. graph: Market influence depending on the managerial adequacy (n=148)**

One of my personal observations, based on these results, is that the **self assessment of the leaders is still fairly low**, which is a very important element of the emotional intelligence. An emotionally intelligent leader has high-level self knowledge, which includes the self assessment too. Those leaders, who lead permanently profitable or „rocket-mode soaring” companies, should see themselves to excellent leaders, but somehow - according to their self assessment, they do not. All in all, there is significant correlation between the measurement tools of excellency and the managerial excellency, although, the tightness of it is low or medium strength based on this sample. There is not any significant correlation between the managerial excellency and the number of

the experiential years as a leader, based on this research. In my humble opinion, it is thanks to that, the younger, less experienced leaders has higher self assessment and the excellent qualified companies' leaders was conservatively in this topic respectively.

The comparisons with the applied independent(market) key performance indicators to the measuring of the organizational excellency brought the following results (8. table):

**8. table: Examination of the organizational excellency depending on the company size and the amount of the employees (n=148)**

<b>Variable</b>	<b>Company size according to the SMEs categories</b>	<b>Amount of the employees</b>
Awards, appreciations	Generally, the most awarded was the micro and then small enterprises. They have got mostly personal appreciations from the employees, while the medium-sized enterprises and large companies have got as an organization, and personal appreciations from external sources. (n=148, p=0,028, Cramer=0,208)	Significant correlation can be found in the examination according to the number of the employees, similarly as according to the company size. (n=148, p=0,024, Cramer=0,249). As we can see, the most awarded people are in those companies, where the number of the employees was under 9 people, which was followed by the 10-49 category.
Export	No significant correlation	No significant correlation
TOP-list	Primarily the large companies and de medium-sized enterprises belonging to the TOP-list companies. Our examination showed significant correlation between the two variables. (n=148, P=0,000, Cramer=0,375)	81,82% of those companies, which have more than 1500 employees are on a TOP-list and it is decreasing in proportion with the number of the employees. (n=148, p=0,000, Cramer=0,431)
Market influence	According to our examination, the market influence is increasing in proportion with the size of the company. (n=148, p=0,000, Cramer=0,312)	100% of those companies, which have more than 1500 employees are market influencer and it is decreasing in proportion with the number of the employees. (n=148, p=0,000, Cramer=0,314)
Growth rate	No significant correlation	No significant correlation
Profitability	No significant correlation	No significant correlation



As it can be seen in the 8. table, significant correlation can be found by three variables from the six, with regard to the mentioned unobserved latent variables – appreciations, to be awarded, to be on a TOP-list and market influence. The export, the growth rate and the profitability are not reliant on the company size and on the number of the employees.

We have found important connections relate to the managerial excellency in three cases, depending on the company size.

- it is less characteristic to the large companies to focus only to the results, without considering the efforts. (n=148, p=0,030, Cramer=0,229), but it is very characteristic to the micro-enterprises;
- in proportional with the company size increase the number of those leaders, who ask continuous feedbacks from their subordinates about themselves as a leader. (n=148, p=0,000, Cramer=0,249);
- in proportional with the company size decrease the time spent in the 3. time managerial quarter – the quarter of the urgent, but not important activities. (n=148, p=0,022, Cramer=0,426)

In one case, we have found important connection depending on the number of the employees.

- depending on the increasing of the number of the employees increase the rate of those leaders, who ask continuous feedbacks from their subordinates about themselves as a leader. (n=148, P=0,050, Cramer=0,277)

According to these, the managerial excellency and the organizational excellency are independent from the size of the company and from the number of the employees.

Examining the declaration that how much do a leader find themselves excellent with the factors of managerial principles, the daily practises and managerial

excellency, I noticed that the principles, the excellency factors, and the managerial mindset shows significant correlation with these claim (9. table).

**9. table: Excellent leaders' principles and excellency factors (n=148)**

<b>Claims</b>	<b>Characteristic rate</b>	<b>p</b>	<b>Cramer</b>
<b>Managerial principles</b>			
About my personal excellency the market results of the company are the best feedbacks.	75,0%	0,003	0,264
I build that kind of company, which offers assured subsistence to the next generations too.	54,2%	0	0,287
The welfare of the colleagues is so important, as the long-term profit.	100,0%	0	0,330
About my personal excellency, the satisfaction of my colleagues is the best feedback.	87,5%	0	0,350
I do something to feel myself good as a leader every day.	91,7%	0	0,446
<b>Excellency factors – mindset</b>			
I am sensitive for the disapproval and the refusal.	41,7%	0	0,269
I think in results.	91,7%	0,004	0,243
I concentrate the actual task and I could not be distracted.	54,2%	0	0,287
Maybe I am superstitious, but I believe in, for example, in the bad signs.	4,2%	0,016	0,492
If I fail, my self-assessment surely become injured.	25,0%	0	0,297
I build my mindset on the already evolved, well-tried samples and regularities.	41,7%	0	0,352
I think comprehensively and expansively, I see the whole picture.	95,8%	0	0,326
I take the challenges optimistic, even it is over my power.	87,5%	0	0,301
I do not waste my time for unproductive thoughts.	58,3%	0,003	0,264

We noticed, in regard to the managerial principles, that every asked leader find the welfare of their colleagues more important, than the long-term profit and almost every one of them take something daily to feel themselves good. The less characteristic thing is to try to assure subsistence to the next generations. This result let me come to the conclusion that the leaders do not think of

generational inheritance. On the one hand, because of the unsure future, on the other hand, because of it is not part of the Hungarian enterprise culture. In Hungary, there are only a few „more generations” company. It is interesting, that the leaders of family businesses have the same opinion. It refers to a high-level emotional intelligence, that they are less sensitive to the disapproval, refusal and failures, they are less superstitious and they are willing to change their way of thinking. To be superstitious is an interesting, characteristic feature, because it contains the hidden information, that a superstitious person has a rigid mindset and is prejudiced. The lack of this is a sign to the flexibility of the mindset.

In aspect of the managerial way of thinking, we can say that almost every leader (over 90%) think in results and has the “plane approach”. The optimism can be counted here, with 87,5% of the answers.

According to the results, the excellent leader could be featured with the following traits and skills:

**The excellent leader focuses on results, is emphatic, socially sensitive to his/her colleagues, a good team-player and feels themselves well. An excellent leader is accomplished, has high self-assessment, is opened for new things, has system approach and is optimistic.** Based on these, it can be stated, that these leaders belong to the imaginary upper third in aspect of the emotional intelligence. We noticed, according to the comparison of the results of the focus group interviews with other researches’ results, that the leaders, asked by us, think similarly than the leaders, who participated in foreign researches. The questionnaire confirms this, where the respondents chosen the

same factors, traits as managerial values. The similarities are the follows (10. table):

**10. table: The excellent leaders common traits according to the international practise (n=148)**

<b>Research maker</b>	<b>Management Research and Developer Institute</b>	<b>Forbes</b>	<b>Patel</b>	<b>IBM</b>
Year of the research	2012	2018	2017	2010
Involved headcount, if it is known	87	-	-	1500
Common traits	empathy; strategical skills; exemplary; purposefulness; result oriented; team building.	empathy; efficiency.	self-management; strategical act; efficient communicator; accountability and responsible; clear aims set upper and realizer; has a vision; supporter of creativity and innovation; team-builder and supporter of team work; lasting relationships builder; quick learner.	creativity; integrity; influencing; open minded; sustainable orientated; humility; correctness.

I compared these with De Waal's (2015) HPO (Excellent Performing Organizations) Model too, which can be seen in the 10. table. It determined the quality of management in 5 factors and 35 traits. I would emphasize those, which can **not** be found in our research – most of them gained confirmation with own examinations. The common factors are: openness and action-orientation, long-term focus and continuous development and learning. The

followings are missing from our sample: change management skill, allow of failures, self-promotion and simplification skill. In the future, it would be worthwhile to make further researches about that these are really not in the focus of the hungarian leader or only they are not conscious of it.

Emphasizing those good practices, which are characteristic at least in 70% to the leaders, we came to that conclusion, that the leaders go for trainings, further trainings regularly, they like to have work-lunch and organize that kind of further educations, where they have time for eachother beside the learning. These refer to the emotional intelligence again and the advancement of the personal and social traits and skills.

Examining the time management resolutions the 3. Habits table of Covey, we noticed during the research that the highest rate has the 2. quarter. It means, that most of the leaders spend most of their time with the „important, but not urgent” tasks, which is one of the important characteristic of an excellent leader – according to the professional literature. 23,64% of them spend more than the half of their time with strategical activities, important goals, creative thinking etc., but the 36% of all the respondents spend most of their time in this quarter. Variables, which has influence to the time management:

- the number of the employees – in proportion with the increasing of the number of the employees, decreasing the spent time on the 3. quarter, on the urgent, but not important tasks. (n=148, p=0,001, Cramer=0,405)
- depending on the age – the leaders over 30 years old spend the 10-20% of their time on not urgent, not important things. The leaders, younger than them, spent far less time here. (n=148, p=0,000, Cramer=0,908)
- depending on qualifications – those, who have higher qualification, spend the most time on mooning around, substitute, time-robber

activities, averagly the 5-20% of their time, as long as the others less than this. ( n=148, p=0,002, Cramer=0,370)

During the analysis of the main component, we have noticed some interesting differences compared to the conventional personality types, This helped us to shade a little bit the types of the leaders, without that, we should distinguish between that, who is better or less better. In the diversity everyone's indivuality, originality can be expressed better and based on these they can be motivated and developed purposefully. The too sensitive leaders are less cheerful, the strategist do not fritter away the search for new customers, the cheerful hedonists do not like to go for trainings, re-trainings. Knowing these features make it much easier to offer them individualized training or coaching. From the objective measuring elements of the organizational excellency, significant correlation were found in two cases between the clusters and the organizational excellency. According to these, we came to the conclusion that the emerging, purposeful leaders are the most awarded (p=0,048, Cramer=0,2019) and the leaders of the most profitable companies are the experienced strategist. (p=0,002, Cramer=0,293).

In the henceforth, what were less characteristic at every cluster, give the space to develop further. I listed here those traits, what are characteristic under 30% to the leaders, who belong to the given clusters, and are important regard to the managerial excellency.:

- daily, short (15 minutes long) activities, which are developing professionally and personally too.
- leading a task-list
- post-evaluation of work

In my humble opinion, the results of this research could contribute to base an other, ambiguous excellency researches, monitoring/validating the results on a

bigger sample, but in the same time it could be an extremely good self-developer or further developer toolbox too.

## 5. NEW SIENTIFIC RESULTS

### **The human factors of managerial excellency –emotional intelligence and working methods**

#### **(1)**

According to quality examinations (focus group researches), the senior- and middle managers (74,15 and 25,9%) think that the following traits (managing values) are mainly characteristic for an excellent leader: is emphatic, set a good example both personally and professionally, is a team-player and result oriented. The rate of the mentioning are: 25,2%;18,95%;11,6% and 9,47%. During the questionnaire, the consistent, supportive, reliable and expert traits were mentioned the most. (with 13,6-14,6% rate).

#### **(2)**

According to the asked senior- and middle managers, the most important leading values are nowadays: the consistency, the support and the reliability. The welfare of the colleagues got similar importance by the 69,6% of them as the supporting of the long-term profit. (the avarage value is: 4,57 on a 1-5 scale.) From the answers emerge that the most characteristic to the managerial samples are the „thinking in results”, the comprehensive “plane approach” and the optimism, which refer to a high-level emotional intelligence. The importance of these factors on a 1-5 scale are: 4,30; 4,26 and 4,07. Decisive majority of the profitable organizations’ leaders, 92,10%, think in the comprehensive “plane approach”.

In their mindset, in the level of their emotional intelligence can be noticed also the following factors: willingness to apologize (4,47), flexibility and openness to the new things (4,47), honestly interest in others (4,34) and the clearly



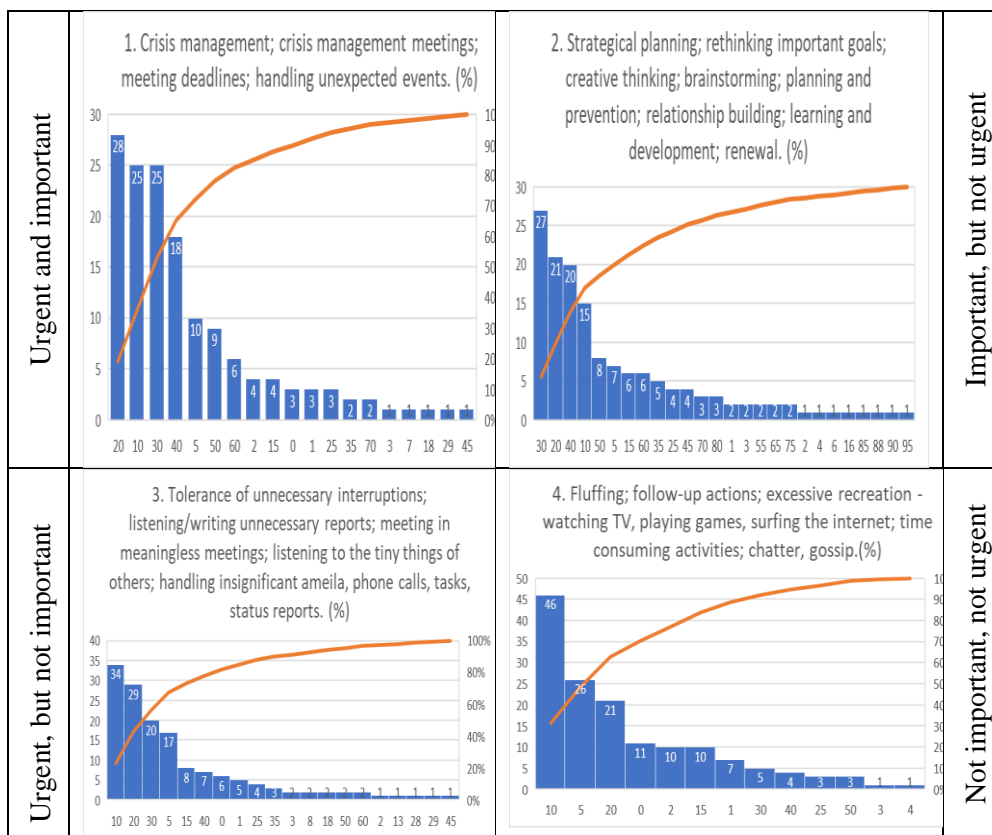
express of their point of view (4,40). These are not importance values, but they mentioned these as the elements of their daily routines. (5= fully characteristic to me). Prominent practices are the initiative role (4,45) and the empathy (I try to find that kind of solution, which is good for everyone; 4,30) too.

**(3)**

As a leader, they find an important task the following: instead to compete with the prices, compete with the diversity, the “difference factor” – for example with the better services, with the better quality, with something, that they are better in than others (4,44 on the 1-5 scale). The 87,80% of the asked leaders found this fully true or rather true to themselves.

**(4)**

Correlatively with the time management, more than half of the leaders (55%) spend 9-12 hours with working, 12% of them spend more than 12 hours with work. Based on the model of Covey (2014), we created a time management matrix with the request to give a percental rate to every quarter depending on that, how much time they spend there, all in all 100%. The first quarter contained the urgent and important tasks; the second contained the important, but not urgent tasks; the third contained the urgent, but not important tasks and the fourth contained the not urgent and not important tasks. They spend the most time in the second quarter, averagely 36,04%, which was suggested by Franklin Covey too. We visualized the answers with the ABC diagram, the results are the followings:



**5. graph: Franklin Covey 3. habit – the practise of the managerial time management (n=148)**

(5)

In the research I made factor analyses with all of that variables, which were identified as the human factors of the leaders' excellency by me. The chosen questions were in decisive majority from (Covey, 2014)'s "The 7 Habits of Highly Effective People" model and from (Northouse P., 2014)'s managerial excellency model, so definitely the human factors, which are the elements of the emotional intelligence. The KMO MSA value is: .702 and nine factors can explain 63,44% of the cases. I made the rotation with Varimax method and I filtered out those,

which are under .3 factor-weight. In this way, severed to 9 main components, the results are the followings.

**11. table: The reverse component matrix of descriptive 9 factors of the managerial excellency**

	Device user	Strategist	Perfectionist	Leading with feeling	Hypersensitive	Hiding	Marketing oriented	Cheerful hedonist	Survivor
Management principles	I run the company based on the principle of "Let's be better than cheaper".			0,586					
	I try cheerfully to accept things, no matter what happens.				-0,393			0,447	0,348
	The company's market performance is the best indicator of my personal leadership excellence.								<b>0,616</b>
	I am building a business that offers an equally secure livelihood for future generations, too.			<b>0,604</b>					0,305
	A long-term modest profit that can be held stably is a better strategic goal than a quick high profit that can only be sustained for an indefinite period of time.			<b>0,729</b>					
	Employee well-being is just as important as long-term profits.	0,325		<b>0,623</b>					0,342
	The best feedback of my personal excellence is the staff satisfaction.			0,584					0,388
Every day I do something to make myself feel good about myself as a leader.								<b>0,797</b>	
Everyday exercises	I take at least 15 minutes to read articles, book excerpts, or watch / listen to videos that are both professionally and humanly evolving.		<b>0,772</b>						
	I keep a classic printed appointment book, in which I organize my life.					<b>-0,804</b>			
	I use an app to plan and control my schedule.(e.g. Justdo, Mytask, Trello, GoogleKeep, etc.)					<b>0,829</b>			
	I organize leadership meetings.			0,570					
	I constantly look at and analyze the indicators of the company's operational efficiency.			<b>0,706</b>					
	I keep a list of current tasks (excel list, task diary, matrix).			<b>0,760</b>					
Business development exercises	I go to trainings and further trainings.	0,417	0,500					-0,354	
	Running projects and goals are on the wall or monitor, to see and add.						<b>0,698</b>		
	We are looking for new assignments, new tender sources.						<b>0,736</b>		
	We evaluate our work afterwards.	0,486					0,348		
	I organize common lunch and dinner.	<b>0,718</b>							
	We celebrate name days and birthdays together with our colleagues.	<b>0,700</b>							
	We organize professional trainings, where in addition to learning, there is also time for each other.	<b>0,768</b>							
	We are improving working conditions.	<b>0,695</b>							
	I'm constantly looking for new clients.	0,306	-0,354				0,426		
	I am sensitive to disapproval and rejection.				<b>0,606</b>				
Factors of leadership excellence	I am thinking in results.		<b>0,747</b>						
	I focus on the current task, I can't be diverted from it.		<b>0,746</b>						
	If I fail, my self-esteem will definitely be damaged.				<b>0,774</b>				
	I build my thinking on the already established, well-proven patterns and regularities.	0,479			0,401				
	I think comprehensively, extensively, I see the whole picture.	0,698							
	I'm optimistic about the challenges, it's okay to go beyond my strength.	<b>0,743</b>							
	I don't waste my time on barren thoughts.					0,354			<b>0,624</b>
	Extraction Method: Principal Component Analysis.								
a. Rotation converged in 20 iterations.									

The identified main components:

1. Tool users - traits/characteristics: empathetic, team player, who leads with tools.

2. Strategist – the efficiency is important to them, the goals are to reach the “big picture”, to see through the board-table; going along the long-term challenges; long-term competitor.
3. Perfecter – self-developer, analyser type
4. Emotional Leaders – the excellency, the long-term, the empathy (especially) are important to them; mostly sentimental, sensitive leader.
5. Over-sensitive – irresolute, over-sensitive
6. Hiding away – could be characterize as an innovative, succinct, mysterious person.
7. Marketing orientated – market developer, innovator.
8. Cheerful hedonist – has a positive attitude; is a cheerful and optimistic type; put themselves to the first place.
9. Survivor – focusing on results, short-term competitor, who identify themselves with the organizational results.

**(6)**

Using the results of the main components analysis, I made a cluster analysis and I could determine three clusters. The characteristics of the three clusters are the follows:

1. **cluster – insecure, empathetic leaders** – in this cluster can be found the 30-50 years old leaders, those, who have got economist, human or engineering qualification. Greatly women leaders (60%), who are not owner leaders at the company, which is in the service industry or the public sector ( 82,05%) and half of them have got managerial experience under 10 years. Half of the companies are microenterprises, where the number of the employees is under 50 people. 17,5% of them are startups and the annual turnover is under 10 million HUF by 32,5% of them. From the point of view of profitability and the growth rate: they are rather profitable

(77,5%) and are a little bit growing and stagnant. This group have got the mostly empathetic traits. 40,5% of them are insecure, because they ask continuous confirmation about themselves as a leader. From aspect of emotional intelligence, the followings are characteristic to them: cheeriness, welfare, to be a team player, to pay attention to their environment, and they are a little bit “aerial”. Their principle is to make everyday something to feel themselves a good leader. From their daily practices should be highlighted the participation on trainings and further educations. As an enterprise developer practice, they attend on trainings, which are organized for others. Finally, from the managerial mindset should be highlighted the thinking in results and the comprehensive way of thinking. The leading of classic, printed diary, the visual following of the running projects, focusing on the task and the efficiency are not characteristic to them.

- 2. cluster – the emerging, purposeful leaders** – these cluster consist mostly of men (69,44%). The age limit is wider, than in the previous cluster. All of them are between 25-69 years old and have got economist, human or sociologist qualification. From the point of view of the industry, 77,78% of them are from the service and producing industry. It is interesting, that there is not any company from the construction industry. To this cluster belong the owner leaders. Half of the leaders of this cluster have got 11-30 years, as managerial experience and 83% of them represent micro- and small enterprises. From the aspect of profitability, they fall into the middle category. Their growth rate is over the average and 58% of them are defining or leading market actors. They are good in time-management, the income has grown prominently by the 20% of them. They have got

characteristic traits in the aspect of efficiency. 58,33% of them use some kind of application to follow their tasks, 44,4% of them take a look to the statements more times in a week, 80,5% of them go for trainings, further trainings monthly. 69,44% of them are active customer seeker and one third of them are awarded. They are emotionally intelligent, because 41,66% of them try to approach the thing cheerfully and 63,88% of them do something daily for their happiness. To this cluster belong the practical thinking leaders, from the point of view of emotional intelligence the cheeriness and team spirit are characteristic to them. They would like to do something daily for their managerial satisfaction, they think in results. Come to the point, traditionalism, but flexibility and concentration features them. Less characteristic to them are the followings: reading developing books, using time management applications, holding managerial meetings, not paying attention to the results indicators, they do not go for trainings and evaluating the work posteriorly is not primary to them. ũ

- 3. cluster – experienced strategist** – consist mostly of men also (63,76%). From the point of view of the age, here belong those, who are over 40 years (66,67%). They have got definitely economist or engineering qualification and they are from the service, construction, processing industry and from commerce (there is commerce company only in this cluster). The rate of the owner and not owner leaders are similarly and to this cluster belong the rather experienced leaders – 30% of them have more than 21 years managerial experience. Because of this, it is natural, that 90% of the medium sized enterprises belong here, where the number of the employees is under 250 people. 86,36% of them are profitable, so it

can be said, that this is the cluster of the greatly profitable companies. If we take a look at the growth rate, the consistent increasing companies belong here (70%). Here belong those leaders, who regularly work over (70%) and have strategic focus – they spend more than the half of their time in the strategic quarter. They measure the excellency in the market results, 62,31% of them think in results and 33,33% of them lead classical diary. In the point of view of emotional intelligence, 65,2% of them are composed communicator. 88,4% of those companies, that belong to this cluster, are permanently profitable. Serenity attitude, desire for developing, the team spirit, the focus and comprehensive approach are characteristic and the regularly reading of professional articles, holding formal managerial meetings, managing a task-list and the subsequently evaluation of work are the least characteristic to them.

### **Factors of organizational efficiency**

(1)

We used the following achievement markers for the first time on this research field, to the measuring of the organizational efficiency, supposing that these are properly objective and capable of separate those, who perform better from the “average”: being on “TOP-lists” or another excellency list; awards and other professional appreciations; export activity; market leading position and the trend of the market growth rate changing. According to the results, these elements suit to the aims, are capable to identify the differences.

(2)

From the main results is significant, that with the growing of the company size grow the chance of the organization to win awards, appreciations and the chance of having a leading market position. The 17,91% of the

microenterprises, 38,18% of the small enterprises, 50% of the medium sized enterprises and the large companies got awards. 23,9% of the microenterprises' leaders professes themselves prominent (market leading or defining). By the leaders of the small enterprises it already was 63,6%, while this rate is 83,3% by the medium sized enterprises and 92,9% by the large companies. (N=148;  $p < 0,05$ ; Cramer=0,208-0,335)

(3)

Furthermore, the bigger past has an organization, the bigger chance they have to get (or already got) some kind of awards, or to be on an excellency list and to have a market leading position. The more employees have an enterprise, the bigger chance it has to be on an excellency list too. According to our results, it can be said, that the power of the market position (market leading, defining market actor) is increasing parallel with the increasing of the number of employees and at the lowest level employers - 0-9 employees (n=148,  $P < 0,05$ ; Cramer=0,254-0,431)

(4)

Those companies, who pronounced themselves market defining or market leading have fast growth rate: 100% of the "Rocket" mode soaring companies fall into this category and 53,56% of those companies too, who have yearly 10% or more market growth rate. All in all, it can be said, that as maximized the growth rate, as more chance they have to belong to the market leading or market defining actors – and reverse. (N=148;  $p < 0,05$ ; Cramer=0,223-0,433). In the case of the price income, those companies have bigger rate, which have it over 500 million HUF per years, if we look for the excellency, (N=148,  $P = 0,000$ , Cramer=0,354).



## **6. SCIENTIFIC STATEMENTS ABOUT THE THEME OF THESIS; INFORMATIVE PUBLICATIONS; PERFORMANCES (CONFERENCE, SYMPOSIUM, DELIBERATION, SESSIONS)**

### **Peer-reviewed journal articles in foreign language**

1. **E. Gy. Csapai**, D. Varga, Sz. Berke (2020): „*Analysis of time management and self-management work practice by leaders – A focus group study*“. Abstract Scientific Journal. Vol. 14. Numbers 3-4.
2. **E. Gy., Csapai**, Sz. Berke (2021): *Analysis of Organizational Excellence Based on Independent Key Indicators Among Hungarian Sme Leaders*. Regional and Business Studies. 13 (1).

### **International conference statements in fully content and in foreign language**

1. **Csapai, Gy.**; Berke, Sz. (2015). *Emotional factors influencing managerial growth*. Editura Risoprint. Old. 52-60. Kolozsvár, Románia. 12th Annual International Conference on Economics and Business : Value changes in a transforming economy: Challenges in the Carpathian Basin
2. Jármái, E. M. ; **Csapai, E. Gy** (2015): *Emotional factors affecting the activity of knowledge managers in education*. Editura Risoprint. old. 272-287. 12th Annual International Conference on Economics and Business : Value changes in a transforming economy: Challenges in the Carpathian Basin
3. **Csapai, E. Gy.** ; Szabó-Szentgróti, G.; Berke, Sz. (2018): *Factors influencing the success in companies in Hungary based on managerial opinions by focus group interviews – Best practices and time management*. old. 39-47. Masaryk University. Brno, Csehország. Proceedings of the

International Scientific Conference of Business Economics, Management and Marketing 2018

4. **Csapai, E. Gy.** (2018): *Snapshot of successful executives and efficient companies in Hungary based on focus group interviews: Strategy and core values.* Innovation Institute. old. 52-60. Zagreb, Horvátország. Proceedings of the 9th Annual Global Business Conference

#### **Peer-reviewed journal articles in Hungarian journals in Hungarian**

1. **Csapai, E. Gy.** (2016): *A munka boldogsága.* Lépések: A fenntarthatóság felé. 21(64), 12-14.
2. **Csapai, E. Gy.** (2016): *Belépés az Áramlatba: A Flow-élmény tudatos megélése.* Lépések: A fenntarthatóság felé 21(67), 18-20.
3. **Csapai, E. Gy.** (2021): *Az önszervezés és a szervezeti eredményesség javításának kérdései vezetői körben.* Régió kutatás Szemle. 6(1).