

LEADERSHIP CHALLENGES OF TODAY'S MANAGERS: OVERVIEW OF APPROACHES AND A STUDY IN ROMANIA

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ABSTRACT: According to a world-wide research conducted in 2012 by Society for Human Resource Management (SHRM), the three biggest challenges facing HR managers over the next 10 years are: retaining and rewarding the best employees, developing the next generation of corporate leaders, and creating a corporate culture that attracts the best employees to organizations. Actually, the need for effective leadership is increasingly stressed in the latest international studies and public debates, as more as the concerns for defining and acquiring the core skills making the difference between the traditional managers and effective leaders required by today's global changing context. Our paper aims to highlight this kind of challenges related to effective leadership and management in contemporary organizations. Consequently, after a brief overview of conceptual approaches from the international literature and researches in the field, we present the main results of our study on the subject performed through an online questionnaire addressed those with related interests in our country (questionnaire applied via LinkedIn - one of the most known professional social networks in the world).

KEYWORDS: leadership; management; core skills/competencies; effective leadership

1. INTRODUCTION

Nowaday, the global rapid changes affecting virtually every aspect of our life and work, organizational and business climate, require us to rethink the ways which we used until now for making the things to work well. The recent crisis could be considered a hard lesson about what happen if we not do this, proving that within the uncertain environment of a globalized economy some basic rules and mechanisms of traditional market economy no longer works.

Implicitly, it shown us that we don't have "a safety net" or "a panacea cure" for a such globally extended economic downturn. And just for this reason, we need for great leaders able to deal successfully with the unprecedented challenges facing today people, organizations and human society at whole.

Warren Bennis and Burt Nanus (2003) argue that to keep organizations competitive, leaders must be instrumental in creating a social architecture capable of generating intellectual capital. Organization - today especially - are about ideas, innovation, imagination, vreativity-intellectual capital. The brightest leaders are aware of this. "Managers are people who manage well the processes and leaders are people who do the right thing. The difference can be summarized as focus on activities arising from vision and judgment that lead to effectiveness versus efficiency-oriented activities focus on the master routine [21, p.203].

Based on statements made by Gosling and Mintzberg (2003) [5], which warned that the separation between management and leadership is dangerous, because management without leadership encourages a style of leadership without inspiration and leadership without management leadership style would generate incoherent, is established that training early skills leadership is difficult. More must accept synergy between managers and leadership roles (Table 1).

Table no. 1
Leadership-Management Synergy

Leaders	Resulting synergy	Managers
Provide vision	Empowerment	Provide resources
Pursue opportunities	Achievements	Reduce risks
Inspire	Teamwork	Coordinate
Lead improvisation	Innovation	Provide structure
Do right things	Effectiveness	Do things right

Brian O'Neil defines leadership as "Leadership is influencing people to resolve to a standard and quality above their norm. And doing it voluntarily" [13].

Leaders play an essential role in every aspect of our modern lives and good leadership is an art that is highly prized. Effective leaders not only control, appraise and analyse, they also encourage, improve and inspire. In *Effective Leadership* John Adair, Britain's foremost expert on leadership training, shows how every manager can learn to lead [2].

As an element of social interaction, effective leadership has 12 roles grouped in three areas [26]:

- a) Visioning & Setting an Example: 1. Create an inspiring vision and shared values; 2. Lead change; 3. Lead by Example; 4. Demonstrate confidence
- b) Empowering & Energizing: 5. Inspire and energize people; 6. Empower people; 7. Communicate openly; 8. Listen, support, and help
- c) Leading team: 9. Involve everyone, use team approach; 10. Coach, bring out the best in your people; 11. Encourage group decision; 12. Monitor progress, but don't micromanage.

But what are the necessary skills to be acquired?

The model SHRM HR Competency comprises nine competencies: one technical competency and eight behavioral competencies. The technical competency, Human Resource Expertise, is the most fundamental requirement for HR Professionals, and the eight behavioral competencies reflect the way through which an HR professional leverages his or her technical competence [25].

The competence 4 is Organizational leadership and Navigation, defined as: The ability to direct initiatives and processes within the organization with agility and to gain buy-in from stakeholders [25].

Sub-Competencies are: Transformational and Functional Leadership; Results and Goal-Oriented; Resource Management; Succession Planning; Project Management; Mission Driven; Change Management; Political Savvy; Influence; Consensus Builder.

Behaviors, these are most typically demonstrated by individuals at the highest level of proficiency on the indicated competency:

- Exhibits behaviors consistent with and conforming to organizational culture
- Fosters collaboration
- Understands the most effective and efficient way to accomplish tasks within the parameters of organizational hierarchy, processes, systems, and policies
- Develops solutions to overcome potential obstacles to successful implementation of initiatives
- Demonstrates agility and expertise when leading organizational initiatives or when supporting the initiatives of others
- Sets the vision for HR initiatives and builds buy-in from internal and external stakeholders
- Leads the organization through adversity with resilience and tenacity
- Promotes consensus among organizational stakeholders (e.g., employees, business unit leaders, informal leaders) when proposing new initiatives
- Serves as a transformational leader for the organization by leading change.

2. KEY PRIORITIES FOR HUMAN RESOURCES SPECIALISTS IN 2015

Today the globalized world, in crisis, interconnected and interdependent in the „chaotic” model developed by Kotler and Caslione (2009) [7] on the so-called „new uncertainty” that shows at the current level of global economies and approaches chaos from the perspective of mutations at organizational marketing and management level as Diana Andreia Hristache, Silvia Elena Iacob (2012) [6] claim, seems to search for a solution/salvation.

This solution and the most important resource for obtaining profit in the next 20 years is people, who by talent, intelligence, diplomacy, are connoisseurs of new technology, willing to learn, globally shrewd and operationally agile. This is the profile most frequently sketched by the specialists in the area of human resources management (HRM), either by surveys, or by studying the globalized world's trends (2005), (2008).

Since 2005, Dave MacKay (2005) [11, p.14] has formulated ten major trends in the area of human resources, which may change the face of business, an environment where the speed of change is amazing, highlighting the importance of leadership development: A developing trend for the executive in North America is "active learning" which has been well-founded in Europe for several years. It involves allotting to groups of managers from various environments work on strategic issues for their organization – with a facilitator to keep them on track and to provide feedback. The advantage of active learning is that it involves leaders and potential leaders in real activity and real work environment rather than a simulation.

Part of promoting leadership is to encourage and reward risk taking. These leaders must be given the opportunity, even if they are part of the organization, to contribute to the development of strategies and corporative plans. Leadership comes with the conviction that employees cannot be leaders unless they have the power to take on risks, make decisions, innovate and lead. Leadership is connected to motivation, interpersonal behavior and the communication process.

It is important in the attempts to reduce the employees' dissatisfaction. A good leadership also involves the task delegation process. A good leader in the organization helps the development of team work and the integration of individual objectives within the group's objectives. Also, it helps intrinsic motivation by accentuating the importance of work people execute.

In 2008, the USA Society for Human Resources Management publishes a comparative (2007) and future (2010- 2015) [16] study regarding the identification of the organization's priorities of which the investigated human resources professionals are part (517, respectively 504). This is done to better understand the challenges with which organizations are confronted in respect of human capital. Thus, the human resources professionals have important roles and responsibilities in approaching the human capital issues from their organizations. They are most likely to support their organizations' business objectives concerning the initiatives of human capital when they are regarded as

strategic partners or owners in decision making. The area of human resources proves to be more of a partner than an owner in the areas of skill management, leadership development, demographic management, recruitment and staff, cultural change and transformation in organizations, (the five areas assessed as being the most critical for organizations in 2010-2015) [16].

The critical area of leadership improvement represented in 2007 the number 1 priority in the specialists' opinion with 52%, and for the period between 2010 and 2015 it comes on 2nd place with 45%, being overcome by skill management.

According to the study, leadership development contains four processes: building of confidence between the persons involved; establishing a mission and clear goals to which the persons adhere; carrying out decisional participative processes; strong individual and group motivation, in order to contribute to the achievement of common goals.

As such, leadership's priority in the area of human resources management is an obvious reality from the international studies and in our research we followed the perception of the above-mentioned aspects as processes in Romania.

3. PERCEPTION OF LEADERSHIP IN ROMANIA

From the extended research carried out on „Perception of leadership in Romania” in the following the main findings concerning the issue at our country's level are presented. In the study carried out the method used was the interview based on questionnaire, the target segment being represented by Romanian specialists working in areas connected to marketing and human resources.

The questionnaire included 25 questions (closed), of which 8 referred to structuring information of the investigated sample, being applied online on LinkedIn professional network, between February and April 2013. LinkedIn is a professional social network with over 187 million members, 40% holding top management positions in organizations, being one of the most utilized social networks in the world with a monthly average of 2,8 visits/member.

The research area extended to a number of 150 persons to whom the questionnaires were sent, the rate of valid answers being 79,33% (the size of the investigated sample: N = 119 subjects, noted with S1, S2,..., S119).

From the analysis of the answers received the following were found:

- a) Regarding the demographic data of the research area

- 76 of the subjects are female (63,86%), and 43 are male (36,13%), most of the aged between 35 and 44.
- According to the area of activity we can notice that predominant are those in the multinational company – private sector 47 (39,49%), SME private sector 36 (30,25%), self-employed

person 12 (10,08%), public sector and private sector large local enterprise, each with 9 (7,56%) and non-profit/NGO sector 6 (5,04%), almost half of the total with seniority in the area between 1 and 9 years (Table no. 2).

Table no. 2

Distribution of subjects by activity sector

Item	Possible answer versions	Total answers	%
1	Public sector	9 answers	7,56%
2	Non-profit/NGO sector	6 answers	5,04%
3	Private SME sector	36 answers	30,25%
4	Large local organization – private sector	9 answers	7,56%
5	Multinational company – private sector	47 answers	39,49%
6	Self-employed person	12 answers	10,08%
TOTAL		119	100

- Concerning the level of education, the respondents with post graduate masters courses are predominant 69 (57,98%) and university degree, 40 (33,61%), their numeric distribution by categories being shown in figure no.1.

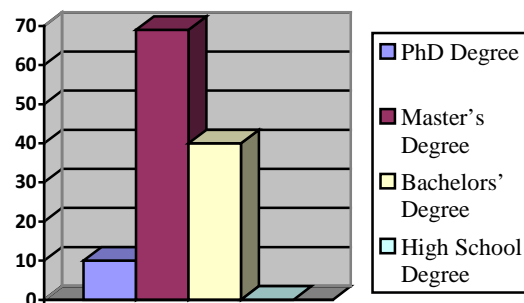


Fig. 1. Distribution of respondents by level of education

- Distribution on position/office held (Figure no. 2) indicate the predominance of those with positions of associate partner, co-owner, owner 34 (28,57%), coordination, supervision, first level management 34 (28,57%), top management 27 (22,68%) and middle level management 24 (20,16%).
- As far as seniority on position is concerned (figure no. 3), 62 (52,10%) of the subjects fall in the category 1 to 5 years, they being followed by the category 6 to 10 years, respectively 26 (21,84%).

- b) Regarding the issue of leadership

- Analyzing the leader's abilities, such as encouraging the participation of subordinates in decision making we find that 66 (55,46%)

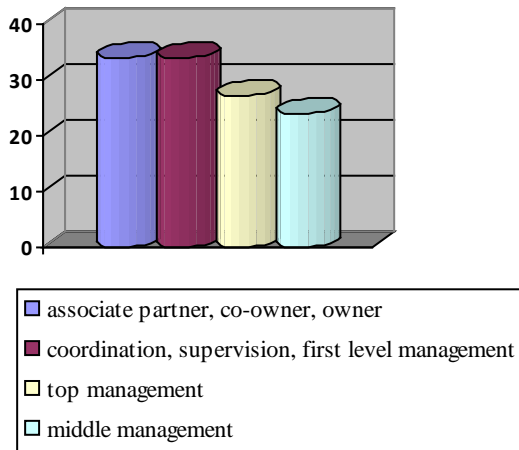


Fig. 2. Position/office held

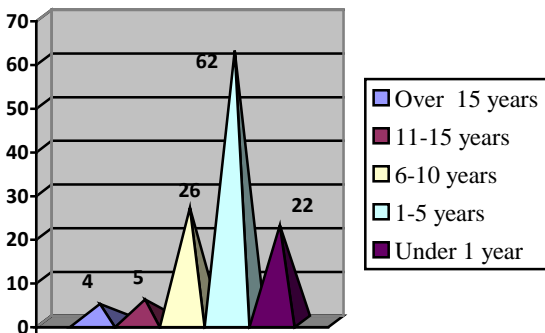


Fig. 3. Allocation by seniority on position/office

often do so, 39 (33,77%) always and 13 (10,92%) sometimes, and in respect of challenging subordinates to continuously improve their work performance, 65 (54,62%) always do this, 46 (38,65%) often, 6 (5,04%) sometimes and 2 (1,68%) rarely/seldom (Figures no. 4 and 5).

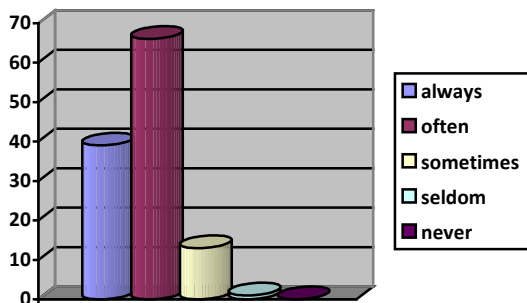


Fig. 4. Encourage the subordinates' participation in decision making

- The respondents' assessments in respect of asking for others' opinion before the leader makes a decision show that 69 (57,98%) ask for their opinion, 35 (29,41%) sometimes, 12

(10,08%) always and only 3 (2,52%) seldom do so. As far as encouraging the subordinates to consistently raise their performance standards is concerned, 59 (49,57%) always encourage them, 52 (43,69%) often, 6 (5,04%) sometimes and 2 (1,68) rarely do it (figures no. 6 and 7).

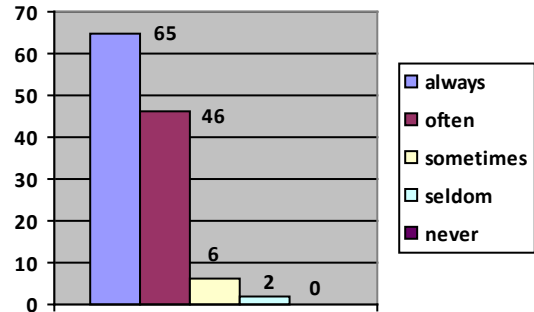


Fig. 5. Challenge subordinates to improve performance

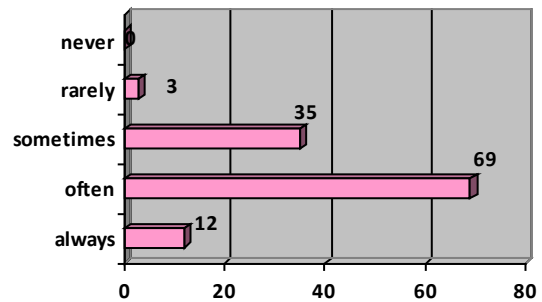


Fig. 6. Requesting others' opinion before the leader makes a decision

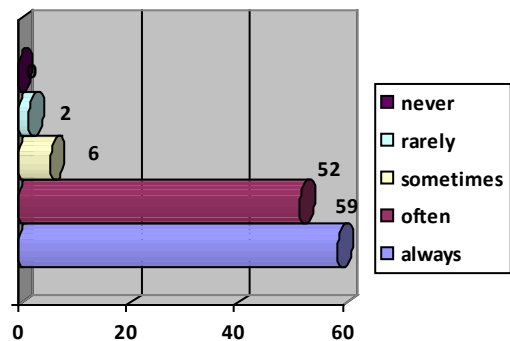


Fig. 7. Encouraging subordinates

- As far as the leader's involvement in giving clear directions to follow for the way to carry out a project is concerned, 46 (38,65%) of the subjects consider that leaders often, respectively always, give clear directions to follow, while 24 (20,16%) believe that only sometimes and 3 (2,52%) of the subjects believe that only rarely this happens (figure no 8).

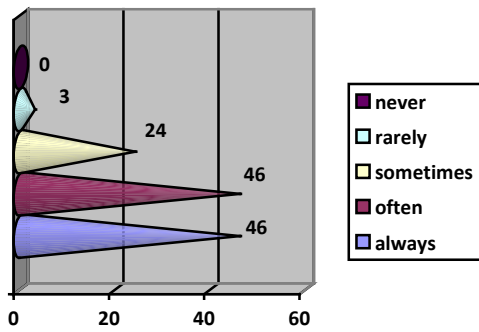


Fig. 8. Clear directions to follow for the way to carry out a project.

- The respondents' assessments in respect of taking on the role model of the leader the others are willing to follow suggest that 50 (42,01%) always take it on, 46 (38,65%) often, 19 (15,96%) sometimes and 4 (3,36%) rarely (figure no 9).

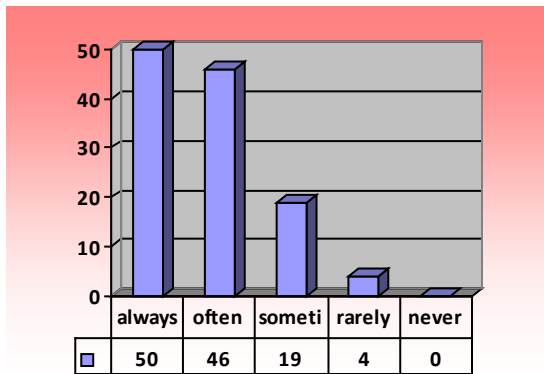


Fig. 9. Taking on the role model the others are willing to follow

- 58 subjects (48,73%) consider that leaders are difficult to please with the „state of fact” and they try to change and improve, while 37 (31,09%) of the subjects believe that leaders always try to change and improve, 22 (18,48%) only sometimes and 2 (1,68%) rarely do this (figure no 10).

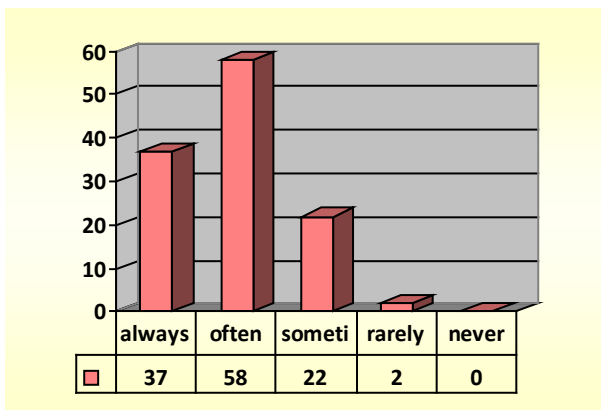


Fig.10. Continuous improvement and change

- Figure no. 11 highlights the importance for leaders to establish and maintain relations with a great diversity of people in order to understand their needs and to win over their support. Thus, 49 (41,17%) of the subjects believe that leaders always take it on, 50 (42,01%) often, 15 (12,60%) sometimes and 5 (4,20%) rarely.

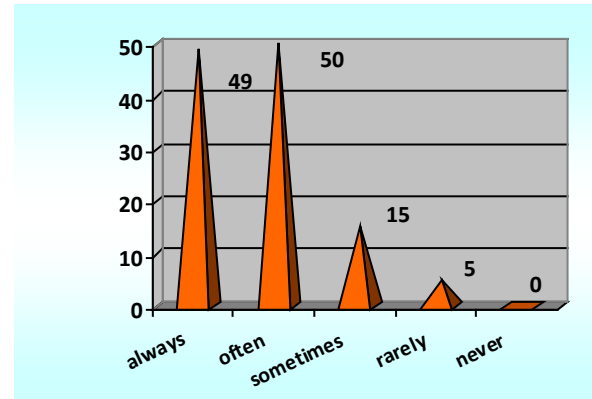


Fig. 11. Establishing and maintaining relations by leaders with a great diversity of people

4. CONCLUSIONS

Today the organizations' performance in all areas of activity in the private and public sector depend on good leadership and leaders who are capable to cope with change and motivate correctly. In respect of the current crisis, and the changes in society in general, they became very important aspects that affected human resources by lay-offs and closed companies. When society is in a crisis, leadership might also need a change as well as the way leaders motivate their employees.

The coexistence in the contemporary society of a multitude of leadership types makes this concept to be a research subject always current. This aspect is due to a close relation between the organizational leader and the current economic context, a context that is crossing a rapid and profound transformation process at the moment, thus changing reflexes and orientations. The search and future development of a leadership model that is supple, flexible and adaptable to the new organizational context is similar, however, to carving in hard rock, only to unveil the face desired by the artist. In order to identify this minimalist face of the leader is necessary to start from the maximalist form of the leadership concept. Only this approach will shed light on the particularities necessary to a leader in the contemporary economic context characterized by complexity and dynamism.

In conclusion, as Max Landsberg (2005) [8], [9] underlined, leadership is a life attitude necessary to all and it must be developed in order to fully achieve our potential.

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