

## **Management challenges and the development of organisations - Summary of the results -**

The survey “Management challenges and the development of organisations” aims to assemble an image of the problems that the managers and the organisations from Transylvania face each year. It is the first from a series of researches that are to take place each year, to help the employees and the companies from the region to understand better the changes and the trends of the modern organisations.

The research was conducted by Danis Consulting, in partnership with the Faculty of Political Sciences, Public Administration and Communication, from Babes Bolyai University.

The data was collected in July-August 2008, through a questionnaire addressed to managers in private companies, from different sectors of economy, in 15 counties in Transylvania. The total number of respondents is 128.

Organisational change is the main attribute for the Romanian economy, and the evolution of the global economy predicts even more changes, hard to imagine at this moment. The organisations from the region, though most of them going through change processes, consider they attained or even surpassed the expected results for the previous year. At the same time, most of the respondents believe that the motivation level of the employees is medium or low and accuse poor communication for teamwork problems and the stress at the workplace.

One of the main problems in most of the organisations is the personnel problem: poor workforce, difficulties in attracting new employees, poor efficiency at the workplace or the quality of work.

### **Increasing profit and personnel problems – the greatest challenges for organisations**

The most important challenges for organisations are related to increasing sales and profit (for 32.4% of the responders) and personnel (quality of the workforce, attracting employees, retaining employees, for 31.8% of the respondents).

The changes for the organisations in the last year are mainly strategic changes, changes on the structure and departments (reorganisations) or changes on the systems and procedures. A small number of respondents describe changes focused on the skills and on the attitudes of the employees or changes focused on the organisational culture.

### **Cost cutting and strengthening the core business – reactions to the challenges in the economic environment for the last year**

Asked to what extent the organisation they work for attained the expected results in 2007, 62.5% of the respondents consider that the organisation had the expected results, while 17.2% consider that the organisation surpassed the expectancies. 20.3% of the respondents consider that the organisation had results below the expected level.

### **Employee motivation**

Asked about the motivation level of the employees in their organisations, only 20% of the respondents consider it being high. 13% of the respondents consider that the motivation degree of the employees is low. As motivation is a good indicator for the level and the persistence of the effort of the employees, the number of the organisations with a high degree of motivation seems far from the ideal.

In the companies with up to 50 employees the degree of motivation is perceived as being higher than in larger companies (with over 250 employees), where the majority of the respondents consider the degree of motivation as being medium or low.

In Industry, unlike the other sectors of economy, the motivation degree of the employees is lower (one in five respondents from the industrial sector considers the motivation level as being low). A higher motivation is being described by almost one third of the respondents from Services or Commerce.

The respondents in higher management positions, seem to be more positive in assessing the motivation level of the employees; one third of the CEOs consider there is a high level of motivation in their organisations. Most of the Head of Departments or Middle Managers consider there is a medium level of motivation in their organisations.

### **Motivators and de-motivators**

The top motivators for the respondents at the workplace are: the importance of the work, the development opportunities, and the nature of the job. The salary or other financial benefits were being considered as high motivators by a smaller number of employees, standing this way at the middle of the hierarchy that we developed from the answers of the participants.

At the same time, the main de-motivators for the respondents are: lack of development opportunities, the management style and bureaucracy.

Flexible working and non-financial benefits seem to be more valuable for women. The bureaucracy, lack of development opportunities and lack of promotion opportunities seem to affect more the male respondents.

### **Low efficiency of the employees – the main problem with the personnel**

Asked about the main problems the organisations faced in the last year regarding personnel, most of the respondents mentioned low efficiency (59.6%), followed by high personnel turnover (34.3%) and low quality of the work (31.3%). Absenteeism, stealing or strikes were mentioned by a small number of respondents.

### **Teamwork is more frequent in large companies**

Asked to estimate the teamwork amount in their activity, most of the respondents consider it represents between 50 and 75% of their time at work.

Teamwork seems to have more weight in the activities of the respondents from large companies, unlike for those in smaller companies; also, teamwork is more present in the activities of the CEOs than other respondents.

The most frequent teamwork problems related by the respondents are lack of feedback among the members of the team (for 48% of the respondents), lack of mutual information (44%) and not meeting deadlines (31%).

### **Lack or delay of relevant information – the greatest stress factor at the workplace**

The main stressors at the workplace are: lack or delay of relevant information (mentioned by 43% of the respondents), increased responsibilities (for 30%) and power or political games in the organisation (25%).

Poor relationships with colleagues or subordinates and the management style of the manager are stressors for a smaller number of respondents. Also, change in organisations is rarely mentioned as a stress factor by the respondents.

### **Ethics – valued in organization but perceived as inexistent in the Romanian business environment**

Most of the respondents (82%) consider that ethics is valued in their own organizations, but it is not valued in the Romanian business environment (80.4%).

As we move to the lower levels of the organizational hierarchy, the perception of the value attributed to ethics in organization decreases. Thus, if 86% of the CEOs consider that ethics is valued to a great extent in their organization, only 71% of the Managers share the same opinion. The Managers seem to have a more favourable view regarding ethics in the Romanian business environment, compared to the CEOs and Heads of Department.

### **Human Resources Department: still in transition from the status “Personnel office” to that of a “Business partner” for the management team**

The main responsibilities of the Human Resources Department for more than half of the organizations included in the study are staffing, salary and performance evaluation. Programs of a greater complexity initiated and conducted by the Human Resources Department are prevalent in large organizations.

The Human Resources Department is considered by the majority of the respondents as having a greater credibility in front of the employees and as being a strategic partner for the management.

At the same time, the HR Department is often perceived by the respondents as being reactive, waiting for demands from the management of the organization.

### **Organizations adhere to a set of values**

In order to develop a durable existence, an organization should be founded on a set of essential principles (values) that are shared by its members and that guide the day to day behaviours of the employees, representing the base of what we call organizational culture.

78% of the respondents state that the organization they work for has a set of espoused values, while less than a quarter belong to organizations that do not have such a set of espoused values.

The simple existence of a set of declared values is not an indicator of a stable and congruent organizational culture; the values need to be known by all employees and even more, they need to believe in them. If we take a closer look at the organizations that assert the existence of a set of espoused values, we notice that one out of five respondents consider that the employees do not believe in the organizational values.

### **Leadership styles**

Although the results of other studies regarding the leadership style concluded that in Romania it is both practiced and preferred a more authoritative leadership style, our results support a management style more oriented on the involvement of people (consulting, delegating).

The most often used leadership style, as declared by the respondents, is a Consultative one, followed by Delegation. The Authoritative style appears to be seldom practiced in the organizations where our respondents work, while the Persuasive leadership style is characteristic for a quarter of the respondents. Our respondents consider that Consultative and Delegation leadership styles are most appreciated by the employees.

These results are in fact self-evaluations of the respondents (they represent the management in the organizations included in the study) and self evaluations not necessarily fit perfectly the real management style.

The extended Report of the Survey, with analysis on types of activity of the organisations, size or, where appropriate, on categories of respondents, is available for **20 Euro + VAT**. We can send you this Report, in Romanian only, as a .pdf document, by e-mail or CD.

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