

## Management Challenges and the Development of Organizations in 2014

### - Summary of results -

The Annual Survey, conducted by Danis Consulting, with the support of Babeş-Bolyai University, Faculty of Political and Administrative Science and Communication, is a research study that investigates the life of Romanian organizations. 305 participants answered our 34-item questionnaire in this year's edition, which is the 7<sup>th</sup> of our longitudinal study. Among the participants, 76,2% *have top management positions* in organizations (51,9% are general managers, owners or administrators, and 24,3% are department or regional managers). Moreover, 83% of the respondents have an *experience of over five years* within their organization; therefore, they have had the time to form a valid opinion about their organization. Participants come from 3 business segments: *private* (47,6%), *public administration* (13,8%), and *non-profit* – NGOs (38,7%).

The main areas covered by the present research study are:

- General information regarding the organization
- The economic climate and its influence on organizations
- Key aspects about the current life of organizations
- Management
- Online communication practices
- Demographic information about participants

The **economic climate** is still perceived to have a negative influence on organizations. More specifically, 76% of the respondents (compared to 67%, the percentage from the Annual Survey in 2013) consider that the economic climate has had a negative influence upon the organizations they come from, regardless of the business segment. Among those who mention a negative influence, private companies are affected to the highest degree (52,4%), followed by NGOs (38,7%). Consequently, it is not surprising that among the greatest challenges, mentioned by all participants, are *economic climate* (75,9%), *quality of the workforce* (71,4%), *cashflow* (67,8%), or *cost reduction* (61%). In order to meet these challenges, organizations have tried various strategies: in the private business segment, there is a tendency for *cost reduction* and for *focusing on the core business*; in the public and non-profit business segment, organizations prefer finding *strategic partners*, and, to a lesser degree, *reorganization/ restructuring*.

Concerning the **life of organizations**, the majority of respondents, regardless of the business segment, mention that they have achieved results at the *expected level* in the previous year (58,9%, with 11,9% more than the percentage from the Annual Survey in 2013). The most important factors that are considered to facilitate positive performance are: members' *knowledge and abilities* (81,6%), *strategic planning*, in the long term (72,7%), and *flexibility and acceptance of change* (70,7%). The most frequent changes that organizations have gone through are: *strategic changes* (in the private and non-profit business segments), *changes regarding structures and functions*, or regarding *systems and procedures* (in the non-profit and public business segments), and *changes concerning personnel*

*reduction* (in the public administration). Similar to previous years, organizations perceive they are *good* at managing all change processes.

**Management** is considered to be *good* in 72,3% of all responding organizations – participants appreciate their managers are *authentic* people, with *integrity*, who *keep their promises*. However, we find it surprising that there is a contradiction between this consideration and the general perception regarding business ethics in Romania. More precisely, 77,8% of participants think that business ethics is *similar or worse* than in 2013. As a result, there is a significant discrepancy between the appraisal of one's own organization and the perception of the extraorganizational environment. At the management level, participants identify a series of needs for improvement. The most significant ones are: *strategic thinking*, the *ability to make good managerial decisions* (both mentioned regardless of the business segment), *communication skills* (in the private and public business segment), and *the ability to form teams* (in the non-profit business segment).

Managers from all business segments are motivated the most by: *work significance* (69,5%), *achieving personal targets* (58,7%), and *opportunities for development* (54,8%); *income* is only the fourth motivator for managers (44,1,3%) – however, income has fluctuated over the years, from being the first factor that contributed to motivation for work to having a rather lower motivational role. On the other side, the most significant work stressors are: *high responsibility* (41,8%), *lack or delay of relevant information* (39,1%), *workload* (33,1%), and *income* (31,5%). What is interesting is the difference between business segments. In the public administration, participants report the highest number of stressors, with similar ratings: *income*, *workload*, *high responsibility* (47,1% for each one), and *power plays* in organization (35,3%). In the non-profit business segment, the most significant stressors are: *high responsibility* (46,7%), and *workload* (34,7%). In the private firms, *lack or delay of relevant information* (46,2%), and *high responsibility* (36,6%) have the most considerable impact. In general, leaders' commitment to their organization is *high* – the highest level appears in the case of NGOs, while moderate levels are found in the public administration.

**Online communication means** are considered *important* for 93% of all participants. Online communication is especially useful for *promotion and visibility*, and for *informing targeted audiences*; however, NGOs have the greatest and the most diverse objectives – they also use online communication in order to *mobilise members for collective action*, in order to *get feedback from targeted audiences and from members*, or in order to *reach potential collaborators and supporters*. From the most to the least preferred method, participants resort to *websites* (87,9%), *official pages on social networks* (55,1%), and, finally, to *blogs* (13,1%). What is interesting is the fact that online communication is mostly used in the southern part of the country and in Bucharest (100%), while it is least used in the eastern part of Romania (approximately 70%).