

The Annual Survey of Management Challenges and the Development of Organizations in 2015

I. Summary of results

The **Annual Survey**, conducted by **Danis Consulting**, with the support of **Faculty of Business**, Babeş-Bolyai University, is a research study that investigates the life of Romanian organizations. 156 participants answered our 24-item questionnaire in this year's 8th edition of the Annual Survey. Among the participants, *77.4% have top management positions* in organizations (38.7% are general managers, owners or administrators, and another 38.7% are department or regional managers).

The main **areas** covered by the present research are:

- **General information regarding the organization**
- **The economic climate and its influence on organizations**
- **Key aspects of organizational life**
- **Management characteristics**
- **Demographic information about participants**

Similarly to the results from the previous edition, the **economic climate** is still perceived to have a negative impact on organizations, but to a lesser extent. Specifically, only 57.7% of respondents perceive a negative influence, whereas in 2014 the percentage was significantly higher (76%). Among respondents, companies in the service industry are affected to the highest degree (40%). Consequently, it is not surprising that almost half of the participants (42.9%) consider developing new products or services the main challenge of the previous year, in addition to cost reduction (significant for 39.6% of participants) and the pressure to increase sales (mentioned by 32.8% of respondents).

In order to overcome (economic) challenges, organizations have adopted various **strategies**: the most widely used are cost reduction, and offering new products and services respectively (each mentioned by 53.6% of participants); also, 44.9% of respondents mentioned as a strategy finding new markets. Moreover, the study reveals that according to 60.9% of participants, their results matched their expectations (similarly to last year, when 58.9% of respondents perceived the same). Therefore, participants have a relatively positive image of their organizations, considering that, unlike in 2014, fewer respondents consider that the economic impact has had a negative impact on their companies (57.7% versus 76%).

When it comes to other **key aspects of organizational life**, the study reveals discrepancies between respondents' perception of their internal climate versus the external one. For instance, 57.6% of participants consider that similar organizations are unethical to a somewhat and to a great extent. On

the other hand, 43.5% of participants report that people with managerial positions inside their companies are ethical to a very high extent and 38.4% of them report that they are authentic to a high extent. It follows that although more than half of the participants consider business ethics to be declining in their own industry, they simultaneously consider that their companies' management are mainly ethical and authentic.

Moreover, this edition of the Annual Survey covers different **characteristics of teamwork** in Romanian organizations. Participants perceive the following positive aspects *to a high degree*: willingness to share information among team members (reported by 50.3% of respondents), comfort to openly discuss what (else) the team needs to do (mentioned by 55.6% of participants), performing tasks well (selected by 63.1% of participants) and finishing tasks in time (reported by 56.3% of participants). In addition, respondents consider that the teams which they supervise or which they are part of have the following problems *to a small degree*: not meeting deadlines (reported by 58.6% of participants), role ambiguity (mentioned by 61.6% of respondents), interpersonal conflicts (perceived by 47.3% of participants), and task conflicts (option selected by 48.8% of respondents). It must be noted, however, that task conflicts, when used efficiently (in certain key moments during the teamwork processes), can have a significant positive impact on team results, as they can facilitate the identification and the exploration of different, possibly innovative perspectives.

Another research area of the study covers **management characteristics** in Romanian firms. Participants identify certain needs for development for each hierarchical level. For the *line management*, respondents consider that the following skills and abilities should be developed: problem solving (option selected by 73.8% of respondents), team supervision (reported by 72.2% of participants), and offering feedback (mentioned by 69.6% of respondents). In the case of *middle management*, the following skills and abilities should be improved: running meetings (mentioned by 66.6% of participants), negotiation (reported by 64.4% of respondents), and giving impact presentations (selected by 61.55 of participants). Lastly, *top management* should develop skills and abilities related to: strategic thinking (reported by 80% of respondents), giving impact presentations (according to 68.2% of respondents), mentoring (option selected by 67.7% of respondents), and managerial decision making (reported by 66.2% of participants). The fact that participants have differentiated these needs for development hierarchically reveals the importance of an integrative approach, on the organizational level, so that it could promote development consistently and functionally (all levels mutually supporting each other). This requires strategic planning and a long-term vision, which becomes mandatory in the current fast-paced economic climate.

Organizations also identify the **most important factors for the success** of their companies: managers' and employees' knowledge and abilities (option selected by 87.9% of respondents), setting objectives for each organizational level and managers' respecting their promises (both of which mentioned by 75.1% of participants). In addition, flexibility and accepting change (reported by 73.6% of respondents), and vision and organizational values known to all employees (mentioned by 62.4% of participants) are *very important* as well. Even though the results show there is no single key element for a company's success, on the contrary, achieving good results depends on the effects of a series of inter-

related factors, it is worth mentioning that participants find as most significant the aspects related to human resources and to management, which can and are worth developing from a long term perspective.

Last but not least, the study investigates the main motivators and the most powerful stressors at work. Participants consider the following as *very strong* **motivators**: the importance of one's work (selected by 76% of participants), achieving personal targets/objectives (reported by 67.5% of respondents), opportunities for development (option selected by 58.9% of participants), and income (mentioned by 47.8% of respondents). Therefore, the need for meaningful work, and well as the need for competence, evidenced by achieving one's objectives, are, for most participants, stronger motivators than money itself (since, from a certain point forward, it no longer increases people's motivation linearly). On the other hand, lack or delay of relevant information (mentioned by 45.3% of participants), and power games inside the organization (reported by 32.4% of respondents) are the most important **stressors** at work. Other perceived causes of stress include: workload (option selected by 29.9% of respondents), high levels of responsibility (reported by 29% of participants), and lack of support from one's supervisor or coworkers (mentioned by 22.2% of respondents).