

Management challenges and the development of organizations in 2010 - Summary of the results -

The Annual Survey performed by Danis Consulting is a research whose aim is to study the life of organizations in Romania. We note that our company is certified by the Ministry of Education and Research to perform research activities.

For these year's edition, the 48 questions contained within the online questionnaire were answered by a total number of 218 respondents, of which 45% were General Managers and Administrators and around another 45% were other types of managers. The majority of the respondents belonged to organizations from the private sector.

The main interest areas of this year's study were:

- **The impact of the economic crisis**
- **Change**
- **The current life of the organizations**
- **Leadership**
- **Engage in social responsibility programs**

Linked to the first aspect, 55.7% of the respondents rated the influence of the **economic crisis** on the company they work in as being higher in the present than during the last year (2009).

In order to overcome the most important challenge faced by the organization during the last year (the economic climate), companies have resorted primarily to cost reduction measures (24.6%).

Managers responded that, in their view, firms react well to **change** (between 52% and 84%, as we referred to change initiation, maintaining or analyzing change, convincing employees to act according to change, etc.). However, we should remember that Romania ranks on the last places in Europe precisely for this dimension - the ability to change! We believe it would be useful for managers to turn their attention to other views also, including those within the organization.

When investigating the **current life of the companies**, we found that the highest degree of motivation appears to be that of the respondents coming from companies with 251 to 500 employees. The lowest values were recorded in firms with over 1,000 employees and in small ones, which have between 1 and 9 employees, unlike last year, when small businesses have reported a high level of motivation among employees.

On the other hand, most respondents assessed that the motivation in their companies remained at the same level as the last year (40.8%), 32.5% consider that it has fallen, while only 26.7% observed an increase in motivation.

The main motivating factors for the people who completed the questionnaire are the importance of the work they perform (90%), achieving their individual targets (86%) and the development opportunities offered by their companies (86%).

The factor rated as most demotivating by most of the respondents was the relationship with the colleagues or with the manager (48%).

When asked which were the most important staff issues faced last year, most respondents mentioned the low efficiency of employees (51.7%) and their poor quality of work (21.2%). The most important stress factors at work was the lack of relevant information or its absence (20%).

Regarding the **management process**, the main obstacles faced by managers in supporting and developing the firm where they work were the lack of strategic thinking and planning (82.4%) and the lack of support from the human resources department (66.7%).

When asked what managerial skills or competences managers at different hierarchical levels of organization should develop in order to support business development, responses focused on communication, strategic thinking and setting goals.

Managers consider that to sustain business growth, their subordinates should first develop the ability to communicate effectively, followed by teamwork and time management.

From a list of eight qualities selected based on the literature, the managers involved in the study rated as most important *strategic thinking* followed by *entrepreneurial thinking* (ability to exploit opportunities) and the ability to set a direction and inspire others.

59% of managers considered that reducing development and training budgets do not affect employee morale, on the contrary, the measure has a beneficial effect.

Also, 45% of them believe that the reduction of the training and development budgets would not affect the business on the long-term, quite on the contrary.

This is the present state of affairs, given that 95.6% of managers consider themselves motivated by development possibilities, and they also declared, in all three years analyzed, that the greatest problems of the organization were the low efficiency and the poor work quality of the employees.

Last year, 16.7% of the respondent organizations were constantly involved in **social responsibility programs** and nearly 50% were only rarely involved in such initiatives, responding to the requests of other organizations. Initiation and constant involvement in social responsibility programs is more common among organizations with over 251 employees, and is extremely rare for small firms. 34.5% of the organizations were not involved at all in social responsibility programs during the last year, this behavior being more common (57%) among small firms, with 1 to 9 employees. Compared with the situation of the last year, we see an increase in the percentage of organizations which weren't involved at all in social responsibility programs (from 25.5% in 2009 to 34.5% in 2010) and a reduction in the percentage of those which initiate and implement such action constantly (from 22.3% in 2009 to 16.7% in 2010).

As an overall conclusion, after we examined the organizational market before, during and (hopefully) after the end of the crisis, we increasingly see the need for a new type of management, **more responsible** to the needs of the communities where they carry out their businesses, but also to the needs of the subordinates. Employee development should be a priority, which should strive to overcome the findings of this study regarding the low labor quality and efficiency of subordinates. This is especially true since the expectations of the employees are directed toward the strategic, long-term thinking of the post-crisis leader.

The entire study contains other data also- many of which can be analyzed according to the wishes of those who are interested in studying them. Also included for the first time, is the Trend Analyses chapter, comprising comparative results for the three annual editions of the study, and a chapter containing Conclusions and Recommendations.

The extended version of the Annual Survey was delivered free of charge to all the participants.

For other people interested in the results, the report is available in Romanian, as a pdf document for 25 Euro + VAT. If you want to buy the extended version of the report or if you want to be included in other research projects made by Danis, please send an email to office@danis.ro.