

Management challenges and development of organizations in 2011

- Summary of results –

The Annual Survey performed by Danis Consulting is a research whose aim is to study the life of organizations in Romania. For this year's edition, the 46 questions of the online questionnaire were answered by a total number of 150 respondents: 47% CEOs or Administrators, and about 43% other managers. The majority of respondents come from the private sector.

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

- **The influence of the economic climate, Changes in organizations**
- **The current life of the organizations**
- **Management**
- **Social responsibility**
- **Data about organizations and respondents**

At the first question, linked to the achievement of expected business results, 52% of the respondents claim that they achieved the expected results, and 15% registered results above expectations. Because those who had poor results are less than the previous year, we can say that the general perception is that the crisis has passed.

In order to overcome the greatest challenge for an organization (economic climate, 78% of the respondents), firms have also resorted primarily to cost reduction measures (20,5%).

We found out that *business ethics* is seen in falling this year: 51% of the respondents consider it approximately the same as last year, 7% consider it higher, but 41% consider it lower or much lower.

Managers responded that, in their opinion, firms react well to **change** (between 62% and 91%, as we referred to changes initiation, maintaining or analyzing change, motivating employees for change etc.). Values are even higher than last year and, because we know that Romania ranks on the last place in Europe precisely for this dimension – ability to change, we consider that the responses are influenced by optimism.

When investigating **the current life of companies**, we found out that the highest degree of motivation appears to be mentioned by respondents coming from small enterprises. The lowest values were recorded in firms with 501 to 1.000 employees.

On the other hand, most respondents assessed that the motivation in their companies remained at the same level as last year (49%), 22% consider that it has fallen, and 29% observe an increase in motivation, which reverses the last year percentage.

The main motivating factors for people who answered the questionnaire are *the importance of work they perform* (96%), *achieving their individual targets* (92%) and *the development opportunities offered by companies* (87%). These are the same factors as in the previous year, but the percentage is higher.

The factor rated as most demotivating by the majority of the respondents is the lack of development opportunities (66%). These responses should change the managers' priorities, who, we believe, are too focused on other motivational aspects: wage, flexible hours etc.

When asked which were the most important staff problems faced last year, most respondents mentioned *low efficiency (productivity)* (51,5%) and *poor quality of work* (18,2%). The most important stress factor at work is *the lack of relevant information or its delay* (17,8%). All these considerations were also in the previous year's top.

Regarding the **management process**, the main obstacles, faced by managers in supporting and developing their firms, are *the lack of strategic thinking and planning* (24,3%) and *the lack of team work abilities* (15,5%).

When asked what managerial skills or competences managers at different hierarchical levels of organization should develop in order to support business development, responses vary by hierarchical levels: at the top of the hierarchy, there are important abilities like: *strategic thinking, communication and motivation*, at middle-management it matters *team leadership, conflict resolution and time management*, and at line-management *motivation and communication* matter the most.

Managers consider that in order to sustain business growth, their subordinates should first develop the ability to *communicate effectively*, followed by *time management* and *team work*.

From a list of qualities selected based on the specialised literature, managers involved in the study rated as most important qualities for a leader as follows: *strategic thinking* (18,2%), *ability to set a direction and inspire others* (15,8%) and *ability to build a team* (14,4%).

This year, 23% of the respondent organizations were constantly involved in **social responsibility programs** and other 40% were only rarely involved in such initiatives, responding to the requests of other organizations.

Compared with the situation from the previous year, this year we notice a raise of the percentage of organizations which did not involve at all in social responsibility programs (from 34,5% to 37%).

Social field and education are first targeted in such programs.

As an overall conclusion, after we have examined the organizational market before, in the middle and (we hope) at the end of the crisis, we can state quite easily, „**The crisis has passed. Long live the crisis!**” The economic signals are quite optimistic, we had the chance to learn a lot about how to run a business and the employees are more loyal and more willing to accept some constraints. It all depends now on the decisions from every companies and on how they are going to use these opportunities.

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. It is included the analysis of trends registered in the fourth edition of this study and also it includes a chapter with Conclusions and Recommendations.

The extended version of the Annual Survey was delivered free of charge to all the respondents. For other people interested in the results, the report is available in Romanian, as a .pdf document for 75 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.