

LEADERSHIP AND ORGANIZATIONAL COMMUNICATION IN CRITICAL TIMES¹

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ABSTRACT

When we talk about the leadership, the dimension of the organization is not important. Leaders can exist in small companies as well as in big companies. It all depends on people and the results reached by the group.

If on leader will have very good results with his followers it will mean very much for him. It will also mean very much for the respective company since results will be better if realized with unified forces. Leaders are very good in communication and this means a lot in general and in special in difficult times as crisis times are. As a major issue during the crisis time is related to the communication, this paper brings together the leadership and communication as vital processes for an organization's survival and evolution.

KEYWORDS: *organizational culture, organizational communication, crisis, critical times, leadership*

1. Context

A smart saying about leadership is stating: "You can't measure the heart of a champion". This means that even if nowadays we face critical times, expressed in crisis in economic sector and not only, even if organizational communication is not an easy task to take care of, a TRUE leader can overcome all these and can reach victory.

The crisis is already three years now at worldwide level, generally speaking because it's of course customized upon region and country. Still, also in general it has very strong echo and impact. Let's just consider some fresh impact: in November 2010 the highest level of gold price was registered: 1390 American Dollars an ounce. Second news, Romania has been reported as the only East European country to register economic decline in 2010. How come? Well, if we would have known we would have taken some attitude but until unveiling the secret it's just a state of fact and it can for sure be blamed on "crisis".

If you are in a company that is not affected by the crisis or by the elements presented above just take your time and think twice. Into the economic context

¹ This work was supported by CNCSIS –UEFISCSU, project number PNII – IDEI code 1867/2008, contract no. 899/2009

there's nothing untouched or not influenced. Even if at a first glance there's no connection between rising gold price or Romanian economy being on descendent curve due to other sectors (not yours), still, sooner or later we will all be affected.

What other pin points did we had also due to this crisis? Of course, highest gold price 145,29 American Dollars a barrel in summer 2009. Oil is everywhere: fuel for cars, plastic bags, fertilizers, chemicals, insecticides, medicines, perfumes, synthetic textiles, asphalt, rubber, and many more others. So can we still say that oil price increase doesn't affect us? Similar implications happen in case of gold. First of all, gold price is a key value that influences other investing tools. Second of all, it is implied in more common use goods that we utilize on a daily basis: mobile phones, TV-s, pills (gold powder has anti-inflammatory properties and is used as pharmaceuticals in the treatment of arthritis), luxury food and beverages (having E number 175), textiles (embroidery) and so on.

Into these crisis times the most important asset is to have information right on time because any delay can cause a faulty solution, option or decision. The need for fresh and trustable information is very high and permanent. Change is everywhere so that in many domains information that is now fresh is already outdated in next few hours. Everyone that wants to be successful should have a huge adaption power and also flexibility.

2. Why leadership?

Speaking about flexibility and the power to be all the time oriented towards the good direction we can also differentiate two kinds of behaviors: single action, when the person can be flexible and adapt her/his self following others and multiplied action when the person can be flexible and adapt his/herself and at the same time possesses a special power or talent to be inspirational, to be an example for the others and in this way to be followed. This is the leader. Even if is in times of crisis, the leader is the one that can keep trust between employees (namely followers). He can inspire them and empower them so that they feel that can overcome the difficult situation.

Managers are considered by employees to be only like guardians to prisoners. Employees are like prisoners that have very strict rules, internal regulations into the company, a certain ethics code, a certain dressing code, a certain reporting code, a certain schedule, all activities have a certain deadline, all reports should be at a certain qualitative level, no mixture between personal and professional life at office allowed, no personal call into the office allowed, only outside cigarettes smoking is allowed and so on. These are all rules to be obeyed by employees without possibility to do something different of having this possibility but at the risk of job loss. Which is the alternative? The alternative is to be a real leader who inspires so much the employees that they want to be like you, they want to be followers.

Leadership is particularly good because it can multiply positive attitude, it offers trust, offers role-models, keeps professional passion alive and means unified employees.

Communication on vertical, horizontal, as well as on diagonal (inter-departmental) is very important. It offers profound knowledge to the employees; it offers them the feeling of protection, of being an important part of the total organization. On the long run this means a lot, since the employees will become even more dedicated, trustful, ambitious and positive towards the environment in which they work, towards colleagues and company in general. Missing communication on the other side will generate frustrated employees, lack of dedication of the employees in doing the work, lack of stability (the employees' fluctuation rate will increase) and least but not last lack of ambition and strive for organizations' best interests.

Leaders can do most of the actions in order to inspire trust to the employees in times of crisis since they are role models for them and they can offer the calmness estate to overpass the difficult times. A leader will show the right way for getting out of the tunnel towards light. And this can be done by all persons who are leaders into the respective organization, be it the general one or the department leader.

Leaders have power partly due to their role model status and partly due to the knowledge they have. This means that communicating the knowledge he/she has it's anyhow one of the characteristics of leader's way of being. The only problem that makes this special during crisis times is the context. During difficult times people are more nervous, agitated, irrational, frustrated and feel insecure. This means the leader will have to add a lot of strong nerves, cold blood, positive attitude and enthusiasm in order to make communication effective, efficient and trustful at the same time. Among the types of leadership known until now, the transformational style is the one that suits best to difficult times, so crisis. The transactional style doesn't match since it is oriented more towards stability than change, more towards encouraging usual works than encouraging innovation and creativity. The transformational style is best in this situation since it is oriented towards change, creating a vision regarding changing the organization in better and motivating employees by putting an emphasis on their needs, ideals and superior values for company's best interests. Transformational leaders offer visions that make the followers enthusiastic. These leaders win the admiration and trust of their followers through the fact that they put an emphasis on communication, on offering advices and suggestions, on simple expressing the important goals, on promoting intelligence and valuable persons as well as on collectively solving the problems appeared. The transformational leader has a very strong vision and a contagious enthusiasm that determines a substantial increase of trust and aspiration from followers, as well as an increase of their commitment in order to reach the targets and register high performance.

Being only manager and not leader is too less in these times when wrong approach can cause serious injury to organization's financial results.

3. Communication – the human face of calculations

Speaking about results, is it everything about financial results? Is it everything about calculations, plus and minus, multiplied and divided? Finally yes, but until reaching that we need to translate calculations in something that is part of day to day activities and that influences employees in a quite ample style. It's, of course, about communication.

Communication means everything but is not enough only through itself. For having fruitful communication within an organization we need to have good receivers, good senders and as little as possible noise. The receivers are the persons receiving the information. Senders are persons sending information. Noise is all other factors that can influence communication to reach its goal: semantic problems, lack of feedback, using improper communication channels, cultural differences, hierarchical differences and so on. The optimum situation is when employees listen actively and when the feedback is constructive. Negotiation and conflict management are two important areas in which leaders should again show their best side and be the key element, the driving force when facing such situations. This is particularly important since only having peaceful and motivated working context the employees will do their best striving out to reach the settled performances in order to have a profitable organization. Communication can be resembled with the human face of calculations, if we consider them as being the “scarecrows” of all companies. If calculations (and here we refer especially to profit and loss sheet) are all the time in the attention of finance people, communication should be all the time in the attention of leaders. They should communicate the new tasks given to employees, the status of ongoing tasks and initiatives, the feedback about different projects, ideas presentations, the direction towards the company is heading, the news regarding the economic context of the company, the new regarding the technical discoveries into the field, the problems solved and the way of solving (gathered together into “lessons learned” category into organizations’ library), and so on. There are very many things to be communicated by leaders and which they should encourage to be communicated by employees. The important thing is only for the leader to have the talent, will and perseverance to take the best out of communication and to consider it as important as respecting laws. And if we think more about this we will get to the idea that communication really is as important as a law. Only that it is the unwritten one.

4. Winning trio

Starting from one of Tennessee Williams’ quotes: “When written in Chinese, the word "crisis" is composed of two characters - one represents danger, and the other represents opportunity” we can say that especially in times of crisis, the winning move is to turn any danger into an opportunity. Exactly as a following move of a SWOT analysis: try to turn threats into opportunities for the respective organization and for sure that the way will be the right one. But this move is not as

easy at it seems. It needs a lot of energy, intelligence, proper people, a lot of trust, good leaders and lots of communication.

For those who know to take good out of bad and to turn bad in good, the trio crisis-communication-leadership could be a winning one! First of all, organizations should be as open as possible particularly during crisis times. Open towards market and towards its own employees. This will express a strong position and “self-confidence”. The openness that an organization proves to have is shown through its leaders. They should communicate more intense in times of crisis in order to maintain a calm environment inside organization and a self-control attitude towards business – partners.

During past recent years, competition is much fiercer. Economic context is much more aggressive and insecure. Flexibility you have it or you vanish. If agriculture and industrialization were key words of past half of century, innovation is nowadays key word. This is a word that also reflects leaders and especially transformational ones. Therefore, having leaders and not only managers means automatically a step ahead. Why is communication a very important aspect? Let’s take a relevant example: in Germany, 40 billions EUR are lost on a yearly basis due to unsuccessful tries of implementing innovations. Into the innovation context, employees are the most important factors so that internal communication of leaders is essential. It is even more important when it comes about production companies. External communication is also very important since more than the employees there are a lot of other important stakeholders that find important to know the status and intentions of one organization. Leaders are key communicators of all changes regarding the company and they should even be communication promoters. This role is not an organizational one. Anyone from the organization can play it but leaders are first to take it over and continuously play it and improve it accordingly.

Crisis can be a special moment for the above mentioned trio to work since in a certain degree, stress is beneficial. It helps employees be more ambitious, more focused on the work they are doing, it helps leaders to be even more active than before and it offers communication the possibility to be the key path towards company’s survival and, why not, increase. In expansion times more or less all the companies are in good times. When depression begins is like a gauze that separates the stable companies of the panicked ones. Further on, during the crisis, some of the companies will survive, some will not. For the ones that survive, the following question appears: “will we survive also until the economy is completely back, or only on the short run and then collapse?” This question should not remain at the status of question. Leaders should take action and do their best to at least maintain the current situation of the company. Leaders should put all their trust into employees and at the same time use communication at its best value in order to keep followers close, trustful and willing to put all their effort into the correct and proper directions, actions and decisions into the respective situation. Leaders should pay attention to communication channels used for spreading information. Using the right channel at the right time for communicating the correct information to the proper stakeholders is really an art. The good news is that the higher abilities

you have and develop into this area the higher level of acknowledgment you reach and this is one of the very important factors that positively influence future situation of the company.

Conclusion

Crisis already started, crisis still is, crisis will go away, but after another expansion period, in a certain number of decades crisis will come again, due to economy's fluctuating ways, nothing special related also to nature's ways. More times downwards and upwards trends compound an economic cycle so in fact, nothing is abnormal these days. Only that is not so pleasant to face crisis. Still, if we are more than managers, namely leaders and if we are good ones or at least strive to be good, communication should be an important key element. Leaders should use both verbal and non-verbal communication in order to express and transmit the information through different channels so that the right receptors (different stakeholders) receive it at the right moment. For sure this communication has to be previously aligned with all key persons of the organization so that the message is able to flow and add value not be contradicted and generate problems. In comparison with normal times, any information hidden in times of crisis can be wrongly interpreted by the persons that accidentally find out about it. The leader should be completely sincere to herself / himself and to the stakeholders she/he interacts with. A leader that does his job can improve by doing more than just his job. And can improve starting with better communication. This is mandatory since in all times but especially in crisis it is about using communication at its full potential in order to reach best results with the effort of motivated employees, delivering for happy clients and overall ensuring satisfied stakeholders.

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