

The Leadership Mix for Increasing the Organization's Competitiveness¹

Marian NĂSTASE²
Maria-Magdalena BARBU

Abstract

We live in times of crisis, times of challenge, times of innovation and, more recently, times of major events (political regimes shocks, destructive earthquakes a.s.o.). All these require a huge dose of flexibility, power, speed and positive attitude. The concept of leadership has to adapt to this reality and to ensure giving its best for getting the best. This article offers an image of how leadership should look nowadays and why its important ingredients worth so much from the competitiveness perspective. As we've seen in the practical life, leadership is, most of all, a matter of attitude, of the way in which you see yourself and the people around you and how you make the decisions about progressing together!

Keywords: leadership, competitiveness, leadership mix, competence, teamwork

JEL classification: M 140, M 100

1. The leadership context

"Anyone can steer the ship when the sea is calm."
Publius Syrus (latin writer)

We like stability and predictability in our life! Of course, some surprises are welcome, but only the pleasant ones are desired! The uncertainty provides the salt and pepper of the life, but too much could cause some disfunctionalities!

However, the today's environment is full of surprises and not always they are positive! But we have to face it and to get best results out of it! Here we need to be supported, we have to build up our networks in order to support us and to support others! Here, the leaders have an important word to say!

Reading the saying above, we can reflect to the hidden needed qualities of a true leader, in the case that real issues appear. A storm can rise after calmness and then leaders should be more prepared than ever. It's the time they will prove/or not

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

² **Marian NĂSTASE**, The Bucharest Academy of Economic Studies, Romania,
E-mail: nastasemarian@yahoo.com, Phone/fax: +4 0213191967
Maria-Magdalena BARBU, The Bucharest Academy of Economic Studies, Romania,
E-mail: maggy_ro@yahoo.com, Phone/fax: +4 0213191967

their value. Many managers and leaders of our days complain about the existing situation, about the problems they face. The recent Japan earthquake should then light a bulb in management people's head and make them imagine what would they have done being in that situation. A tough and not desirable one!

Having this comparison should help them get with the feet on the ground and make them stop complaining. Indeed, life is tough, professional as well as personal. But this is true in case of every person and to put it short, this is part of this life's beauty. In this idea, we should understand that somehow we are lucky in contrast to other less lucky people.

This is a way a true leader should think and see the situation: optimistic. In case that someone doesn't have this approach, it can be called at most manager, but not a leader. Globalization, free markets, Internet, e-Commerce, e-Banking, all these changed the world. It's real that both at macroeconomic and microeconomic levels, the knowledge based economy is especially, a matter of managerial abilities and behavior in a highly competitive virtual environment (Ursăcescu, 2009).

And there are still many other surprises to come. People have to try to forecast, prepare, improve and be prepared for reacting in the most efficient way possible for them and for the ones depending on them.

Leaders can do a bit more than this. They can also act proactively and try to determine good behavior in others in order to follow the way chosen. And not only that leaders can but they should do this since leaders' struggle is not for surviving but for winning the competitiveness game through a win-win approach.

2. Leadership and knowledge

Leadership is directly linked to knowledge since followers should see into the leader a person that is competent, self-confident, innovative, flexible and optimistic. All these aspects need knowledge since you cannot be competent unless you know as much as possible the respective area, you cannot be sure on yourself unless you have acquired enough knowledge so that you feel secure on the situation, you cannot be innovative unless you know what has been done until now in the referred sector, you cannot be flexible unless you know what are the limits and how much in plus or in minus you can go so that you don't derail from the path and you cannot be optimistic unless you also know the pessimistic and realistic approach as well. It's clear that within the modern companies the knowledge capital tend to have more and more importance for the competitive advantage of these organizations (Nicolescu, O., Nicolescu, C., 2011).

In a way, that's a matter of being able to develop a strong sense of solidarity and competitiveness that relate to a certain type of organizational culture. And the corporate leaders increasingly recognize the importance of building healthy organizational cultures (Gandolfi, 2010).

Knowledge is not easy to get since it requires a continuous will to learn and force to keep the pace. It also requires power of adaptability, openness and holistic view. Without having a general view, knowledge can be in someone's head but cannot be treasured at its real power. A true leader has to get as much

knowledge as possible and use it accordingly, valuating the opportunities and knowing how to transform threats into opportunities, promoting strong values that can direct the people's behavior (Ștefănescu, 2010). He has to use the current knowledge for encouraging followers to produce added value and added knowledge.

Within the organizations the people have to share their knowledge, their experience in order to be able to progress. Sometimes, the promotion of some ideas and approaches could generate tensions and even conflicts as the promoters can be seen as trying to impose something to their colleagues, subordinates a.s.o. It's important for the leader to understand the dynamic of the conflict and to be able to keep it at the level where it can be beneficial for organization and not destructive (Năstase, 2009)

Former ways of making added value or current ways of doing it may become outdated in the near future. As it happens to the companies that have to redesign themselves, to rebrand in order to get a new impetus (Popescu, 2009), the same happen to the people. Therefore, a leader should know how to re-invent himself /herself and what he knows and to find new ways of valuing the info he has got until a certain point. Due to the importance of this aspect, recently there has been even initiated a special "knowledge leader" role in the modern organizations.

A challenge of this leader is to be able to get to the surface many of the tacit knowledge! An organization can innovate extensively by putting together some of the tacit knowledge that exist within a company and is very little used at its real potential (Rebernik, Širec, 2007)

This role is not a single-direction dedicated role, but a very good and strong combination of knowledge and experience in both information technology and Line of Business fields. Knowledge leaders not only use organizational chart lines of communication but also the informal communication channels and a big diversity of ways of approaching the various employee groups (little churches) within the company.

If we think more to the globalization, we have to take into consideration that in order to more fully leverage the expertise of an internationally diverse workforce, organizations may wish to consider reorganization, refocusing compensation from individuals to teams, and expanding institutional learning programs (Oster, 2011).

The role of the leaders is also highly important in the crisis times when he has to find solutions together with other co-workers. He has to develop his abilities for creating high performant teams (Abrudan, Brancu, 2009), able to set and accomplish important organizational objectives.

In case of multinational companies and in general in case of big dimension companies, a knowledge leader could be the only way of sharing information between all levels. Until sharing knowledge, leaders should be good not only at finding and "storing" the information but also good at gathering the knowledge since, as you probably already know, there are some things that can only be "stolen" by watching other professional doing it.

Still, not all people are made to gather fast by experiencing or “stealing” from others. Therefore, even if some aspects seem quite common and simple, it is clear that a person cannot be a complete leader unless he possesses certain knowledge and qualities. Good leaders have a very deep knowledge about the field they drive and the technical characteristics of it.

All leaders, regardless the domain they serve should have general knowledge about finance area, commerce area and also legal area. They should understand and know how to approach the problems in a holistic manner and afterwards, after the „hot peak zone” passed, they should have the knowledge to extract the essence that can be used in other particular similar cases. This means knowing to value the knowledge at its real power.

Leaders should have the knowledge to pass from complex to simple and vice-versa. They should have the necessary knowledge in order to offer explanatory details to the questions „What are we going to do?” and „Why are we going to do this?” (why don't we act in another way). Further on, questions like: „How are we going to do this?” should be let as „homework” for the followers (the rest of the employees), thus proving trust in the capability of his/her employees and in the company's capacity.

Even if it's only started, the „knowledge leader” concept has already attracted its fans, the prove being the fact that there already exist companies that appointed a CKO (Chief Knowledge Officer) reporting to the CEO (Chief Executive Officer) but acting as a single person, meaning being „one man show”, no „subordinates package” included. Other companies do not have yet such a top-management role regarding the knowledge issue but they have knowledge steward role, knowledge analyst role and knowledge manager role.

Usually, the cases in which this role has been encountered are of big companies in which lack of this role until recent times has meant working in silo-s and having communication problems due to „information islands” and no or very less interdepartmental info exchange. Being very valuable, these roles do also have some risks.

The risk for the person that holds the knowledge role is that due to his/her wide area of knowledge, the company will not allow moving into another positions and therefore blocking the hierarchical upgrade due to the fact that no other person(s) have that large amount of knowledge so that no „replacer” could be found instead, in case the person wants to change the job. The risk for the company is that the person having the knowledge role could choose to leave the company and therefore all the knowledge will be gone at the same time with the respective person.

Thus, appointing a Chief Knowledge Officer is an important step which should be based on picking the right person that has the knowledge and competence for the role, a person that is willing to hold the role on a long run and at the same time a person that is recognized by all other employees as valuable in that position. And a „fourth” condition, a tricky one this time: the previously three characteristics described before to be found in one and only person.

3. Leadership equation

*Let's say Knowledge + (brain & social) competence = desired leadership mix.
Should we detail? For sure!*

As we could see in the previous paragraph, leadership is nothing without knowledge or, as the former United States president John F. Kennedy stated: "Leadership and learning are indispensable to each other." Still, leadership is not only knowledge. In case leadership could be what it is using only knowledge, we would have had a planet full of leaders: in all areas, at all ages, in all times. It would have been so simple but so unrealistic!

Obviously, the **knowledge** part of the equation above is important but is not everything for being a leader. A true leader has to know his/her weak points as well as his/her strong points and do with them the best combination that can inspire others and obtain high results.

In our opinion, the *cultural differences* are a special part of knowledge that matters a lot in business. Most of the leaders of medium and big sized companies have a big slot of their time allocated to external business travels for cooperation and negotiation. In these business travels the cultural approach is so important that missing knowledge in this area could mean total failure of the deal even if the person has very good technical preparation in the respective domain. Comparative management is thus a very important puzzle piece of leadership.

Now, speaking about **brain competence** means analyzing what should be done with a brain full of knowledge. A modern concept that we should have in mind when dealing with this part of leadership subject is "corporate jester". Obviously, a person that is "corporate jester" is a leader, even if not the official one. And in this particular case when the official leader is one person but a different employee is recognized as "corporate jester" it means that the real leader is the unofficial one. Jesters influence so much the employees and open so many minds and ways of action that it's almost impossible that you address an issue to such a person and she/he has got no idea of solving or at least a saving "out of the box" approach to finding a solution. He's the one that helps followers becoming leaders at their turn. He's the one that encourages continuous improvement.

Mathematical basis since even if not necessarily an engineer, the leader should have this brain competence when strategically thinking about previsions, planning, mergers, acquisitions. He doesn't absolutely need to be an expert, because this task he can empower/delegate, but he needs to have some idea, some basis competence.

Flexibility without which a person can only be a very good specialist in a certain area but that's it, nothing more! Therefore leaders really need to be flexible not only in showing it but also in feeling it, in thinking it! Special note should be mentioned here, since flexibility is not to be confounded with lack of firmness. Usually, people with better brain-enhancement have a more degree of flexibility exactly due to the "out of the box" way of thinking.

In our opinion, brain competence includes also the *force of overcoming difficult situations*. This starts with thinking constructively and never complain, regardless how difficult the situation is. You should not complain because this can weaken you interior mood and power and also doesn't help at all at solving the situation.

The force doesn't have to be physical, but in your brain which should be ready to think at solving actions, interdependencies, alternatives, resources, time planning and other such factors that are part of the mitigation solution. Even the failures need to be considered not threatening but challenges, opportunities for overcoming them at least next time they will face it and therefore be even stronger for the future. Every difficult situation a leader meets and tries to solve is a step ahead for his/her overall development, even if it was a failure for the respective occurrence. It's like a health immunization that sometimes comes through vaccines (when the difficult situations are possible to solve and therefore a success from the first time) or as an active infection with which the body has to struggle (when the difficult situations are really "painful" ones and end up with a failure).

What is surprising is the fact that sometimes even strong leaders that have a very clear self-awareness are sometimes astonished of the inner power that they had in order to inspire followers in over passing a certain crisis, a certain difficult situation brought by a failure. God offers us more power than we can imagine. We just have to be open and as positive as possible in approaches we make. Another good side of the obstacles leaders meet is that they sometimes can be solved only by innovating.

When leaders see that all the previous "recipes" do not fit to the situation, a new solution/idea/product/part can appear and that is due to the fact that a barrier was encountered. Meeting no barrier is boring and brings regression in most of the cases. You just have to look at companies that produce FMCG (fast moving consumer goods). They renew something periodically since otherwise bankruptcy would be their "The end" story.

The something renewed periodically doesn't have to be something big, but it needs to be something: packaging, form, commercials, shape, colors, spreading channels, business partners, new market penetration and so on.

Social competence has more sub-elements:

Teamwork spirit is one of them. It is very important in case of leaders since followers need to feel as belonging to a group, to a team. This need comes from the human nature and also from the social determination of all beings. Team belonging is very important especially because it offers trust, recognition, energy to contribute, force to continue and professional improvement will. People are still every company's most valuable "assets" and they should be cherished accordingly.

True team-players consider their team's goal much more important than the personal goal. This is the main difference between team and group. In case of leaders we should only meet teams. The leader should ensure that in all the teams he leads, there is at least one person representing each role (from the nine Belbin Team Roles matrix: Action Oriented Roles: Shaper (SH), Implementer (IMP), Completer-Finisher (CF), People Oriented Roles: Coordinator (CO), Team Worker

(TW), Resource Investigator (RI) and Thought Oriented RolesPlant (PL), Monitor-Evaluator (ME), Specialist (SP)).

Emotional intelligence means very much in case of leaders since the biggest part of their time is dedicated to people work. According to Goleman emotional intelligence model, the emotional intelligence is made up of five big components as follows: self – awareness (self-confidence, emotional awareness and accurate self-assessment); self-regulation (self-control, innovation, conscientiousness and trustworthiness), motivation (commitment, initiative, achievement drive and optimism); empathy (service orientation, listening others – actively we would complete, developing others, political awareness and diversity); social skills (influence, conflict management, communication, collaboration, cooperation, bond-building).

Astonishing is the fact that the emotional intelligence is usually more important than the technical competence and the ratio is two to one experts say. Also usually, emotional intelligence is the key factor that can put leaders in two categories: good and outstanding ones!

Moreover, above all these factors, gender is another item that should be considered. This is not only our belief but also studies showed exactly this type of discrepancy. For example, Bar-On author made a study on seventy-seven hundred administrators of the Emotion Quotient Inventory and found that men were more adaptable, but females show more empathy and are more skilled in interpersonal relationships.

At the same time, ladies-leaders are much more open to express feelings and make compromises. Another study done on three hundred and fifty-eight managers across the Johnson & Johnson Consumer & Personal Care Group (JJC & PC Group) showed that high performing leaders are stronger in the self-awareness and self – management slots. This conclusion is reflecting the same idea another study had as result. And here we speak about the conclusions to which McClelland (1998) came, respectively that the most important slots that differentiated leaders were self-confidence, achievement drive, influence, adaptability and developing others.

Therefore, we can introduce a brand new concept: leadership mix.

This would result from the equation

Knowledge + (brain & social) competence = desired leadership mix.

The mix would mean 6 F-s: Flexibility; Followers; Force & Firmness; Facilitator and Feelings' Intelligence.

This new concept was intended by us to cover the key aspects without which a leader would not be complete. Any of the six F-s that you take out makes the respective person be an “incomplete” leader since they are all parts of a simple but deep puzzle that helps one real leader to have the power of turning followers in future leaders at their turn. Leaders need to have the force to improve continuously since in nowadays the whole world is running at turbo speed, with new ways of making business, with lots of ecological actions, many CSR (corporate social responsibility) initiatives, even more ideas, hundreds of changes, thousand of

ecological and tones of actions and all these running for the not spoken but well known goal of “making money in present and in future” (Goldratt, 2004).

4. Competitiveness through leadership mix

Optimum situation in all cases of competitiveness is win-win approach. It's the best but not the easiest to reach. The good news is that having true leaders into the company is one condition to go successfully towards this direction. By definition, the world is a competitive place. Natural selection confirms it. At personal level, competitiveness either you have it from the moment being born, or you are less competitive but you can learn how to become more competitive-motivated. At company level competitiveness means much more and depends on an even higher rate on the leader(s) of the respective company. When the race for reaching a competitive status is time-driven, most valuable aspect which should be searched, found, evaluated and taken into consideration by the leader is the critical path.

Good leadership will ensure the right direction for all the employees and the right steps for reaching the goal. In the competitive game each move matters since it takes time and making the wrong move can lead to overall delay and therefore failure. We should have in mind that current times that we live are turbo speed times. Leaders cannot delay actions, they cannot postpone over the deadlines, therefore their effort for motivating and positively influencing the followers is higher.

For obtaining higher competitiveness on a market, a company could even decide to bring a new manager instead of a current one. It happens and even if it's not the best options the majority would vote on, in some cases is the winning approach. The reason is simple: the new manager can become the leader that employers missed since the former manager was professionally living only by inertia, employees were tired of being bored and blocked in routines that were recurrently ongoing for years now.

At the beginning, the new manager will face resistance to change that the existing employees will feel, show and act. With the time, if the new manager succeeds in becoming a leader in the real sense of the word then he can bring the company to a new start and reach the competitiveness goal for which he was brought into the company.

The six F-s (Flexibility; Followers; Force & Firmness; Facilitator and Feelings' Intelligence) of leadership mix concept presented above will ensure the leader the elements needed to reach the goal established and the continuous profile of this attitude. At company level, competitive advantage on the market can be obtained only having a good leadership mix into the company. This means having in top-management key positions leaders that fully ensure the six F-s and are able to use their force to forecast the market evolution, emulate this at company level by inspiring followers towards a behavior and way of action compatible with the market trend and by molding all the puzzle parts so that at the end the final figure reflects the vision from the beginning.

The nice part of the competitive game is that there's no rule on the market what company can have how many leaders and how strong inter-departmental communication or inter-dependencies. Therefore, each company has free arbiter to choose the "magic formula" that can bring them among the first positions of the market.

This requires dedication, strong will and determination, but with strong leaders, even the shyest followers will feel that in their chest there's a brave heart willing to be part of the collective effort which will bring company's success.

Conclusion

Having a continuously changing world is for sure a challenge for all companies. Regardless the size, they face different problems that can be solved only by knowing how to manage all involved factors which means only by having good leadership. In order to more easily understand what good means, we defined a new concept, namely: leadership mix which means six F-s: Flexibility; Followers; Force & Firmness; Facilitator and Feelings' Intelligence.

Using the power of the leadership mix, any complete leader will be able to handle the situations he/she meets, valuing the opportunities appeared and transforming threats into adding value occasions. Is not an easy job but is a very beautiful one.

It needs an absolutely huge power of adaption (flexibility) since taking into account the size of the company mainly, big companies usually face the rigid structure problem and costly adaption to the permanently moving market, whereas small companies usually face the lack of money for big investments and expensive modern technologies.

The leader should know what to do with all these variables and come at the end with a solution loved by most employees, a solution that will support the company with respect to its market position. Competitiveness game is also a harsh one but as long as there's adrenaline, business beauty is for sure there and leaders just love it!

Bibliography

1. Abrudan, D., Brancu, L., (2009), "A Solution in Crisis Period – The High Performance Team", *Revista de Management Comparat International / Review of International Comparative Management*, Volume 10, Issue 2, May 2009, Editura ASE, Bucharest, pp. 295 - 307
2. Barbu, M.; Năstase, M., "Change Leadership and the Worldwide Crisis", *Revista de Management Comparat International / Review of International Comparative Management*, Academy of Economic Studies, Bucharest, Romania, vol. 11(1), pp. 129-138, March 2010
3. Bar-on, R., Parker, J. D. A., *The Handbook of Emotional Intelligence: Theory, Development, Assessment, and Application at Home, School and in the Workplace*, Jossey-Bass, San Francisco, California, 2000

4. Belbin, M., *Team Roles at Work*, Second Edition, Butterworth-Heinemann imprint, Jordan Hill, Oxford, 2010
5. Capshaw, S.; Koulopoulos, T.M., "Knowledge Leadership", *DM Review Magazine*, http://www.dmreview.com/article_sub.cfm?articleId=20
6. Dessler, G., *Leading People and Organizations in the 21st Century*, 2nd edition, Prentice Hall, Inc., Upper Saddle River, New Jersey, 2001
7. Gandolfi, F., (2010), "*The Impact of Leadership on Health – A Preliminary Discussion*", *Revista de Management Comparat International / Review of International Comparative Management*, Volume 11, Issue 2, May 2010, Editura ASE, Bucharest, pp. 222 – 233
8. Goldratt, E.; Cox, J., *The Goal: A Process of Ongoing Improvement*, 3rd revised edition, Great Barrington, MA.: North River Press, 2004
9. Goleman, D., *Social intelligence: the new science of human relationships*, Random House Large Print, New York, 2006
10. Grint, Keith, *The Arts of Leadership*, Oxford University Press Inc., New York, 2000
11. Martinuzzi, B., *The Leader as a Mensch: Become the Kind of Person Others Want to Follow*, Six Seconds Emotional Intelligence Press, San Francisco, California, 2009
12. Maxwell, J.C., *Failing Forward: Turning Mistakes into Stepping Stones for Success*, Nashville, Thomas Nelson Publishers, 2000
13. Năstase, M., (2009), "Leadership Development within SME's: Solving the Organizational Conflict", *Revista de Management Comparat International / Review of International Comparative Management*, Volume 10, Issue 5, December 2009, Editura ASE, Bucharest, pp. 1035 – 1042
14. Nicolescu. O., Nicolescu. C., (2011) *Organizația și managementul bazate pe cunoștințe*, Editura PRO Universitaria, București
15. Popescu, D., (2010) *Comportament organizațional*, Editura ASE, București
16. Popescu, R.I. (2009). "Successful brands or key to any company's success", *Economia. Seria Management*, vol. 12, Special Number 1, pp. 174-179
17. Oster, G., (2011) "Extreme Diversity", *Revista de Management Comparat International / Review of International Comparative Management*, Vol. 12, Issue 1, March 2011, Editura ASE, Bucharest, pp. 18-29
18. Rebernik, M., Širec, K., (2007) *Fostering innovation by unlearning tacit knowledge*, *Kybernetes*, vol. 36, no. 3/4, str. 406-419. [COBISS.SI-ID 9102620]
19. Riveness, D.T., *The Secret Life of the Corporate Jester: A Fresh Perspective on Organizational Leadership, Culture and Behavior*, Jardin Publishing, USA, 2006
20. Ștefănescu, C. (2010) "The Implications of the Ethical Values on the Management", *Review of General Management*, Volume 11, Issue 1, 2010, Editura Expert, Bucharest, pp. 36-41
21. Ursăcescu M., (2009) *Economia informației și a cunoștințelor*, Editura Universitară, București