
MANAGERIAL PROVOCATIONS, ORGANISATIONAL EVOLUTION AND ONLINE COMMUNICATION

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Abstract : The present study aims at analyzing the different management strategies that organizations employ in adapting to the market and market's changes. There were identified the primarily strategies used by the NGOs, private sector firms and public administration institutions, from Romania in 2014 on the basis of a national report developed by Danis Consulting Organizational Development in association with Babes-Bolyai University. The strategic decisions patterns were validated using Miles and Snow scheme (1978, 2003).

Keywords: *strategic management, online communication, NGOs, private sector firms, public administration institutions.*

Introduction

Capturing the changes from the organizational environment allows us to describe and predict organizational behavior of companies from year to year and their ability to adapt to the unpredictable economic changes.

Starting from the analysis of companies' strategic behavior patterns, our research question regards whether there are differences in behavior for the companies from the public, private or non-profit sector? Moreover, we want to see if there are differences in the use of online communication tools, viewed as a tool for adaptation, in the three sectors above-mentioned.

For the present study we have identified aspects related to management strategies of Romanian companies for the 2014 entrepreneurial environment. Moreover, our inquiry took into consideration aspects related to leadership, ethics and employee satisfaction. To be more specific, we have researched managers' perceptions regarding the economic challenges, how ethics is perceived in business, and motivational factors for employees.

Literature review

Strategic management represents more than organizational strategy, is a process that implies a permanent reconsideration and adjustment of those management decisions which influence the company's future (Protopopescu et. al., 2012). Strategic management decisions are crucial for the institutions survival on the market.

The Romanian economic scenery of the past ten years has been an extremely fluctuant one. As Fodor (2011) shows, during the past decade the Romanian economy knew a rapid growth that brutally ceased with the world economic crisis at the end of 2008. However, while in a period of unprecedented economic growth (up to 2008), the economic field was rather volatile due to the instability of the political scene and, at the same time, the domestic currency was largely dependent upon both external and internal factors.

Most of the research on strategy regulation in response to environmental pressures has been conducted in mature, market driven economies. Therefore we know little about the impact of institutional pressures upon organizational behavior in emerging economies (Chitoor et al., 2008). Newman (2000) shows that institutional transition within emerging economies, such as Romania's, are *qualitatively different*. In emerging economies, the changes in norms, structures and values is much more incisive, due to the combination between rapid growth and economic uncertainty (Kostera, 1995). The result of the changes reside in the strategic management decisions taken.

As shown by Fodor (2011), most of the strategic decisions of small and medium size Romanian enterprises' managers are driven by factors that are related to the market. The entry of new competitors constitutes the main trigger for several types of strategic decisions, motivated mainly by the desire to increase the firms' total revenues due to personal financial needs, and only second because of an organizational development vision. Has this attitude changed during the last year in Romania? This is only another question our study aims to answer to.

Strategic decisions depend on a series of factors, including: mission and objectives, management team, market orientation, target groups and competition etc. Strategic management theoreticians (such as Steiss, 2003) have shown that modern organizations have been required to make significant transformations in response to an accelerating rate of change in technical, social, political, and economic forces. As a result of these changing forces, the management process has become more difficult, requiring greater skills aimed at guiding the future course of an organization in a rapidly evolving and uncertain world. These skills are essential for strategic management.

Anheier (2005) defines strategic management as the process by which organizations develop and determine their long-term vision, direction, programs, and performance. Strategic planning implies a series of various techniques and tools to ensure careful formulation, effective and efficient implementation, and evaluation. Strategic management integrates organizational functions and units into a more cohesive, broader strategy. In most cases, it involves the ability to steer the organization as a whole through strategic change under conditions of complexity and uncertainty.

Strategic planning had its origins in the private sector in a period of rapid growth and change that began in the late 1950s and early 1960s. Efforts to apply strategic management in the public sector began to surface in the late 1960s and early 1970s, as a response to comprehensive planning advocated in government for over three decades. The 80s and the 90s were marked by the efforts to introduce the Total Quality Management four basic concepts: continuous improvement, customer focus, total participation, and social networking.

Strategic management provides an interface between the performance capacity of an organization and the opportunities and challenges it must face in the broader environment (Steiss, 2003). The primary aim of strategic management is to broaden the bases on which critical decisions are made. Strategic managers must therefore attempt to:

1. Identify the organizational needs
2. Explore the ramifications of policies and programs designed to meet these needs
3. Formulate strategies to meet future challenges.

In order to achieve the organizational goals and objectives, strategic decisions have to be made with specific attention given to both external strategies and internal capabilities. Strategic management offers a framework by which an organization can adapt to the vagaries of an unpredictable environment and uncertain future. An interface is provided between the performances capacity of an organization and the opportunities and challenges it must face in the broader environment. Strategic management is concerned with relating organizational resources to challenges and opportunities. (Steiss, 2003)

Usually, strategic management addresses three principles:

- effectiveness – through strategic planning, meaning doing the right thing
- efficiency – through resource management – doing things right
- accountability – through control and evaluation –referring to the possibility of being held responsible for what has been done.

Strategic management concerns the way an organization relates to actual and anticipated change. Hasenfeld (1992) suggests four major action models by which organizations relate to or address change:

1. *Proactive action*: the organization actively attempts to anticipate environmental change
2. *Adaptive action*: incremental changes are made to cope with environmental change
3. *Reactive action*: the organization changes in response to the implications of unforeseen changes that usually throw the institution into crisis, therefore attempts to manipulate the environment on behalf of the organization may follow
4. *Environmentally determined change*: the organization is pushed to automatically changes in response to environmental challenges.

The process of strategic planning and the models and tools involved all depend on circumstances, type of organization, and field. Many times, organizations develop their own approach, which could be a combination of the theoretical categories here presented.

Miles and Snow (1978) identified different strategies that companies use when they try to align with environmental constraints, mainly entrepreneurial, engineering and administrative. The entrepreneurial problem refers to aspects of how a company should manage its market share; the engineering problem regards the company's implementation of a solution in technologies and processes problem; and the administrative problem refers to how a company structures itself in order to approach and implement the solutions to the previous two problems.

The taxonomy of strategies advanced by Miles and Snow (1978, 2003) supports four patterns of organizational strategic behavior, namely the defenders, prospectors, analyzers and reactors. *Defenders* are companies that enjoy a lasting experience, seniority and maturity in the industry. The company's position in the economic environment is protected through cost controls, standardized technical processes that lead to efficient production, continuity of products and reliability (Fodor, 2011). Defenders strategies are based on reliance on tested routines, a centralized structure and formal procedures and long-term planning ensured by the production and financial personnel. They compete on a basis of efficiency for a narrow and stable set of products.

The *prospectors* are the ones that adapt to the medium and seek to exploit the environmental opportunities by developing new products and services and approaching new markets (Fodor, 2011). Firms following a prospector strategy compete on the basis of innovation for a diverse and rapidly changing set of products. There are management levels, creativity and innovation are encouraged over efficiency in order to create and meet new customer demands. Yet, there is a greater outcome uncertainty due to the area of products and services offered.

At the boundary between prospectors and defenders we find the *analyzers*. They combine elements from the two: they avoid unnecessary risk by concentrating on a limited range of products and technologies and outperform competitors through quality enhancement like the defenders, but adapt to innovation in line with the market's potential when there is a turbulent environment (Fodor, 2011).

The misfits are the *reactors* who fail to adapt to external competitors and lack effective internal control mechanism, moreover they do not have a systematic structure or strategy. There can be three reasons for organizations to become reactors. The first implies that the organizational strategy hasn't been clearly articulated from the start. The second, the organizational structure and processes aren't adapted to fit the strategy, and third, the inefficient tendency of the management to maintain the organization's current strategy-structure relationship despite overwhelming changes in environmental conditions.

One of the important tools used by organizations to refute the harsh challenges of the economic environment could reside in online communication usage, as several studies have shown that the rapid emergence of the internet and social platforms allowed companies to adapt better to the medium (Eimhjellen et al., 2013). In an economic medium where competition is increased, resources are scarce, the new communication technology tools are a way of survival. The Internet represents a better and cheaper opportunity for companies to communicate with both internal and external groups. Moreover, through websites, organizations may communicate their views, goals, and organizational information to interested recipients and potentially mobilize actions and resources. As Thrall (et al., 2014) show, thanks to the social platforms, NGOs have more useful tools at their disposal and can generate international awareness.

Methodology and results

Our study aims at presenting the main aspects of organizational life and the problems organizations face. The analysis starts from the report written by Danis Consulting organization in collaboration with College of Political, Administrative and Communication Sciences, Babes-Bolyai University Cluj, who have been carrying out this research for seven years already, in order to provide support for managers in the decision making process. The research includes private and non-profit, as well as public sector administration institutions.

The main sections of the research detail the findings and conclusions on six areas:

- information about the organization: sector organizations, their size, type of capital and region of origin;
- economic environment: the influence of economic conditions on firms surveyed, the most important challenges that organizations faced in the past year and how they have surpassed

them, perceptions of ethics in business and the involvement of companies in social responsibility programs;

- aspects of organizational life: in terms of objectives, we have been investigating the extent to which the respondent organizations have achieved the desired results and the factors that mostly contributed to this; also the main types of changes experienced by organizations in the past year. In terms of human resources, we took into consideration the management capacity to assess change processes, the general perception of leadership in the organization, the internal atmosphere, and the level of motivation of employees, and last, but not least, teamwork issues;
- leadership: predisposing factors or inhibitors for the motivation of managers, the main sources of stress perceived by employees and personal commitment to the organization;
- use of online communication
- demographic data about the respondents: age, gender, role in the organization and management training.

Methodology

The present study aims to describe relevant aspects of the Romanian organizations' life. The areas of interest were selected and refined over time, from one edition of the research to another, based on the literature of management, academic experience and the consulting experience of the partners.

The research is based on a panel and yearly study, already in its seventh edition. The survey is based on a relatively stable annual questionnaire with a set of specific questions, which surprise in depth the details of interest. The questions focus on the main areas of interest: organization data, description of the economic environment, information about organizations' life, leadership style, communication type, and demographic data. Keeping the same set of questions allows the research team to identify trends from year to year. Therefore, the questionnaire is a useful tool for managers and any other persons interested in the life of Romanian organizations.

The questionnaire was sent electronically and the survey invitation was sent to a total of 11,216 people from organizations from all the counties. The sample included: 7014 private addresses, 2,621 addresses from the public sector - public administration (i.e., municipalities) and 1,581 from the non-profit sector (NGOs). Random selection of participants was made, identifying email addresses from various public databases.

As a procedure, the completion of the questionnaire was done entirely through an online platform. In this edition, 305 people completed the survey, the largest number of participants registered so far. The interpretation of the results took into account the number of responses to that question and not the number of respondents, which may vary from one question to another.

Over half of the respondents were in senior management positions in organizations (51.9% are CEOs, administrators, or owners), 24.3% are directors of department or area. Only 2.8% of respondents were line managers, while 11% were in non-managerial positions, and 7.2% had other positions.

Regarding the management training, we see that 3.3% of respondents had a masters in business administration (MBA) compared to last year when the percentage was 0. In addition, 33.1% have a master in management, 10.5 % have a university degree in management, and 32.6% attended management courses organized outside the university. Only 16% of the participants had no specific management training. So, we see a significant increase in formal preparation for leadership positions, from 59% in 2013 to 79.5% this year.

Results

Regarding the **organization's data** of the participants, 76.2% had high-level management positions in the organization (51.9% were general managers or owners or managers, and 24.3% are directors of departments or area). 83.4% of the respondents have an experience in the company older of over 5 years, so they could set a meaningful opinion about the organization they belong to. Participants come from three sectors: private (47.6%), public - public administration (13.8%) and non-profit - NGOs (38.7%). The percentages show that the great majority of the participants are working in services (19.7%), followed by those in industry (13.1%), trade (9.2%), construction (2.6%), agriculture and food industry (2%) and tourism (1%). Surprisingly, there is a much higher proportion of NGOs in this edition, so the non-profit activity represents 38.7% of the investigated sample (compared to last year - 14%). The public sector, represented by municipalities, covers 13.8% of the total number of participants.

Most participants come from small and medium enterprises, as follows: 41.9% from micro-enterprises (up to 9 employees), 24.9% came from companies with 10-50 employees and 15.9% come from companies with 51-250 employees. From larger companies come only 11.5% of the participants: 4.3% of organizations with 251-500 employees, 4.7% of organizations with 501 to 1,000 employees and 2.5% of organizations with over 1,000 employees. This distribution reflects the Romanian economic environment, significantly characterized by organizations with up to 50 employees.

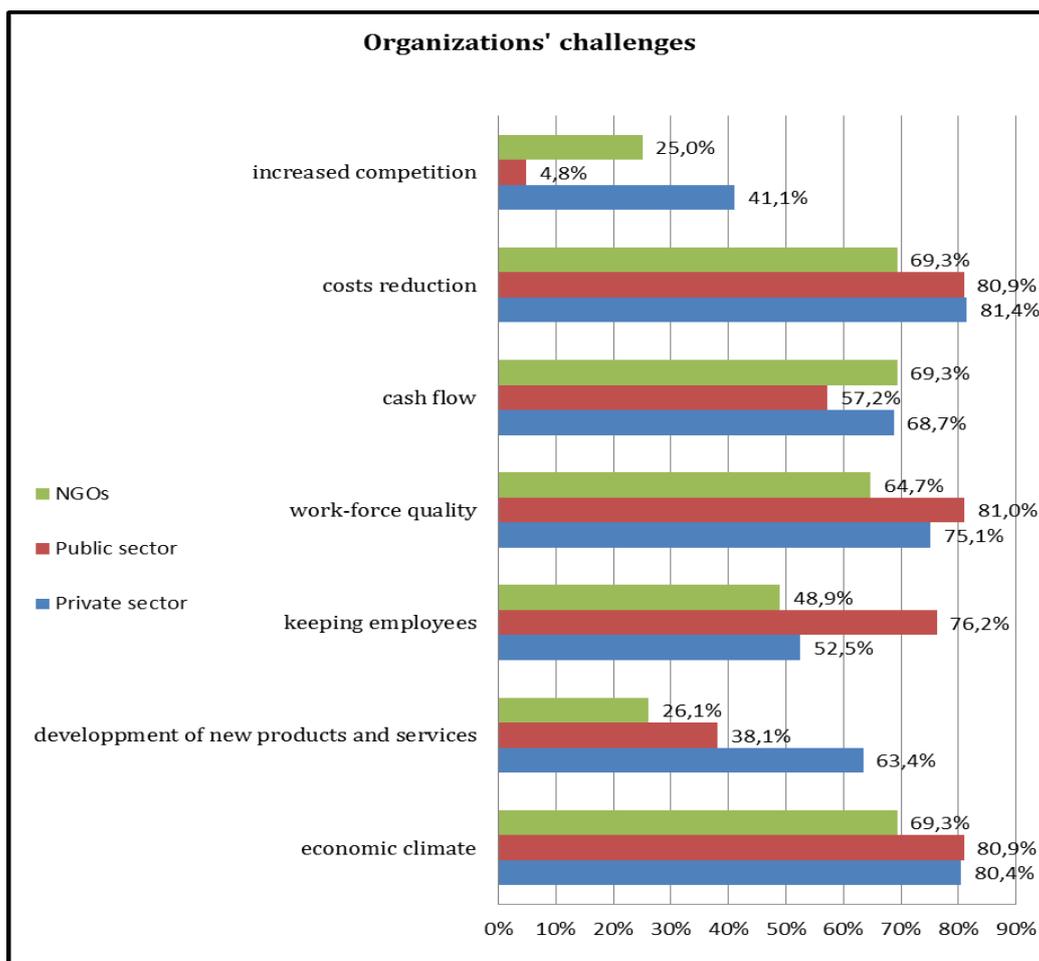
Over half of the respondents (61.7%) come from organizations with Romanian capital. Only 13% came from organizations with foreign capital and 17% of venture capital organizations. Unlike the last year (17%), we are now seeing an increasing number of organizations with a range of international activity - 30.3%. There were identified 24.9% of respondent organizations with a national area of activity, 19.1% had a regional area and 25.3% had a local area.

Given the dynamics of changes in the current organizational environment, we are interested in how managers understand them as significantly influencing the work of organizations. Thus, one of the research section aimed to identify perceptions of managers about the challenges faced (and how they related to them) and the ethics of the Romanian business environment or level of involvement in social responsibility programs.

The influence of the **economic environment** is still considered to be a negative one. More specifically, 76% of respondents (compared to 67% the percentage obtained in the study from 2013) perceived that the economic environment has had a negative impact on the organizations they belong to, regardless of sector. Of these, the most affected are the participants from the private companies (52.4%), followed by NGOs (38.7%).

Consequently, it is not surprising that among the biggest challenges of the organization, mentioned by all participants, respondents indicate the economic climate (75.9%), and the quality of the workforce (71.4%), providing cash flow (67, 8%), and costs savings (61%). Changes in the economic climate are perceived to be the most important ones that affect the organization, emphasizing once again the volatility of the market. We can see significant differences between the types of organization as regarding the challenges that the organizations faces. We observe noticeable differences in terms of factors such as increased competition, which is not an important factor in the public sector, cash flow with a lesser effect for the public sector and the development of new products and services as well. The biggest challenges for the public sector are represented by labor quality, keeping employees hired and the reduction of costs, highlighting rather an adaptive organizational action.

To cope with these challenges, the organizations have adopted different strategies: in the private sector, there is a tendency to reduce the costs and focus on core business, that is an *adaptive strategy* as Hasenfeld (1992) suggests. In the public administration and NGOs, the preferred strategy is looking for strategic partners followed by reorganization/restructuring. As analyzers, the NGO's and public administration's behavior is in line with the market's potential, but limits employees. Nevertheless, they have the ability to adapt to change.

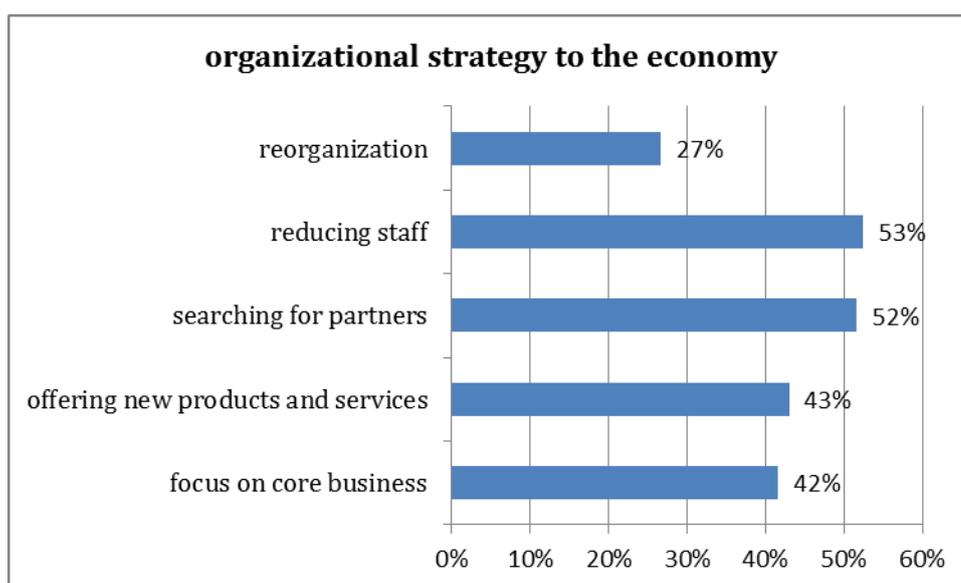


Regarding the **organizations' life**, we can see that the majority of the respondents, regardless of the sector, said that the results were in line with the expectations (58.9%, with 11.9% more than the percentage obtained in the 2013 study). There is an improvement over the previous study, where 41% of the organizations declared disappointing results. Thus, it appears that a significant part of the organizations have rethought their objectives as to be realistic and adapted to the current economic climate. It seems, that at a general level, Romanian organizations have a prospector behavior in relation to the organization's life. Firms try to exploit various opportunities offered by the environment, try to be engaged in economic reality, despite the high degree of uncertainty.

The most important factors facilitating positive performances are: knowledge and skills of members (81.6%), long-term strategic planning (72.7%), and flexibility and acceptance of change (70.7%). Bringing together the most frequently mentioned responses, we can say that, regardless of the activity, the factors declared by the organization as the most important ones for achieving results are: knowledge and skills of members, flexibility and acceptance of change and a long-term strategy. Once again, organizations show that adaptability to market change is vital, and that a prospective strategy is the optimal solution.

There is a greater importance given to these features, rather than the physical working conditions. Hence the most important aspect in an organization is applying the knowledge, as well as the strategies and work flexibility. It seems that they are considered to have the greatest contribution to the achievement of good results in the current economic environment.

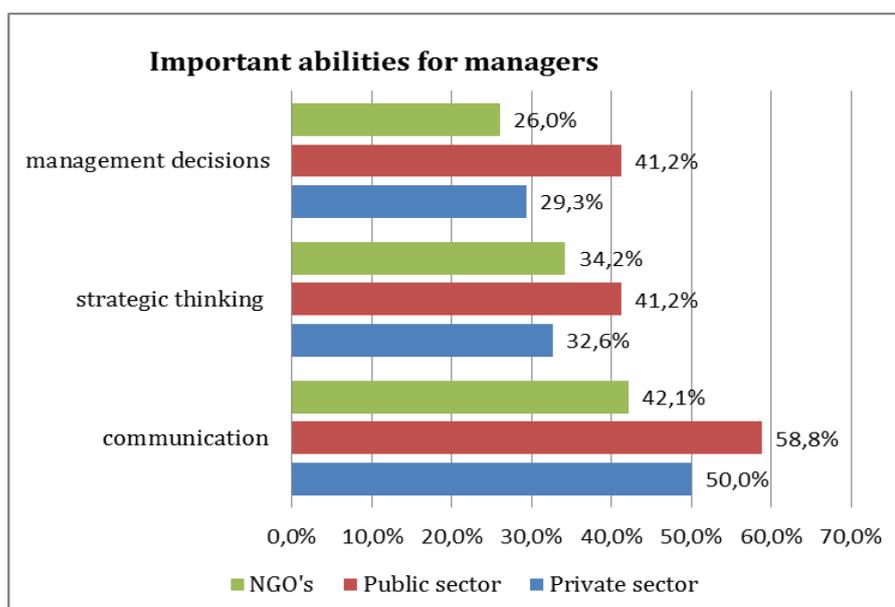
The most common changes that organizations have experienced are the strategic ones (in the private sector and in the case of NGOs), structures and functions changes, in the systems and procedures changes (in the non-profit and public) and staff reductions (in public administration case). Therefore, NGOs behave as analyzers, trying to adapt to the environmental changes, exploiting opportunities and avoiding uncertainty, while public administration institutions act like reactors, lacking effective internal control and using staff reductions.



Although, all three sectors use at different times staff reductions, the study identifies some differences in the challenges faced by organization, based on this decision to lay off personnel. In the public sector, as mentioned before, downsizing the staff is a significant threat, unlike the NGOs, where we can find a lower level of challenge. Moreover, in NGOs the institutional reorganization represents a significant change, whereas in the private sector this change is extremely low. As in the last years, organizations believe they can manage well the change processes the organization has been confronted to.

Most of the respondents (72.3%) tend to assess positively the **management** as a whole. Only 5.4% rated it as poor, while 16.8% considered it excellent. The same type of responses we met last year (good - 72% excellent - 18% low - 6%). This assessment can be both a real one (based on objective data), or a distorted one, given the subjective perception of the interviewees, most of them in management positions.

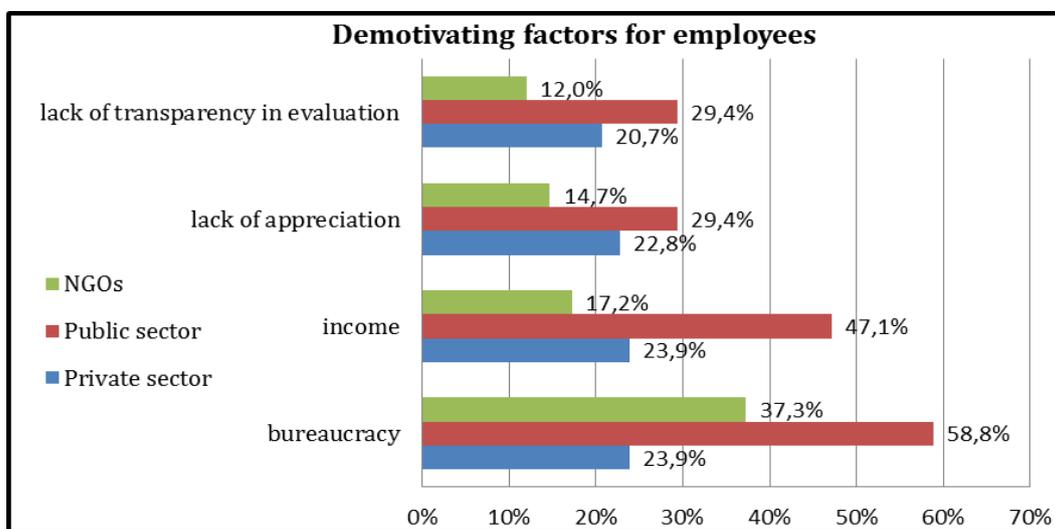
We sought to identify the three most important qualities that are essential in leadership positions and that managers need to improve. For the private sector, the top three most important skills to develop are: communication (50%), strategic thinking (32.6%), and management decisions (29.3%). The less relevant are the impact presentations and conducting meetings (2.2%), mentoring (3.3%) and negotiation (6.5%). For those from the public sector, the top three most important skills that the management needs to develop remain the same - communication (58.8%), management decisions and strategic thinking (each at a rate of 41.2%) - plus leading teams (35.3%). In the non-profit sector, NGOs estimate that the needed skills for leadership are: communication (42.1%), strategic thinking (34.2%) and leading teams (27.6%). It is surprising that, although earlier participants mentioned that those in a management position know to communicate good with employees, communication is now considered an issue that should be developed.



Managers are seen as persons of integrity, genuine, who respect their word. However, we cannot neglect the contradiction that arises between this assessment and the overall perception about business ethics in Romania: 77.8% of the participants consider valuing

ethics the same or lower than last year. So, we notice a significant discrepancy between organization's own assessment and the evaluation of the extra organizational environment. The management development needs that were identified include: strategic thinking, management decisions (regardless of sector) and communication skills (public and private sectors) and team building (in the case of NGOs).

Motivational factors for employees, most often, on the whole sample, are the importance of work performed (69.5%), personal targets (58.7%) and growth opportunities (54.8%). We note that the income only occupies the fourth place - 41.3% (over time, however, income represented a factor with substantial fluctuations being sometimes on the first, and, sometimes, on the 3rd-4th place of importance). In the private sector, in what work motivation concerns, the respondents considered as being very important the following factors: the importance of the work performed (71.7%), attaining targets and objectives (58.7%), growth opportunities (55.4%), income (50%), flexible working hours (47.8%) and non-financial benefits (31.5%). In the case of public sector, participants are motivated greatly by: attaining targets and objectives (70.6%), leadership style and importance of the work performed (each 52.9%), income (47.1%) and opportunities for promotion or development (each at a rate of 41.2%). Participants from NGOs consider to be motivated mainly by: the importance of the work performed (70.7%), flexible time (61.3%), growth opportunities (57.3%), targets and objectives (56%), reputation of the organization (54.7%) and non-financial benefits (46.7%).



All the respondents identified bureaucracy (32.6%) and incomes (23.3) as the most important issues that inhibit motivation at work. For respondents in the private sector, the main demotivating factors at the workplace are: the leadership style (30.4%), bureaucracy and incomes (each at a rate of 23.9%), lack of appreciation from the manager (22.8%), lack of transparency in the evaluation criteria (20.7%). So we see that aspects of direct involvement of the employees have a significant impact on their level of motivation.

In the public sector, the respondents are demotivated by: bureaucracy (58.8%), income (47.1%), lack of development opportunities (41.2%), lack of promotion opportunities

(35, 3%), nature of work and lack of transparency in the criteria for reward (each at a rate of 29.4%).

The nonprofit sector is very much demotivated by: bureaucracy (37.3%), lack of development opportunities (24%), income (17.3%), overload (16%), relationships with colleagues / manager, and the lack of appreciation from colleagues (each at a rate of 14.7%) or the lack of transparency in the criteria for reward (12%).

Another aspect that we were interested in was how respondents assessed the **relationship with the organization** in which they operate - how human resource management and the nature of work affect issues such as commitment and dedication to the organization. Studies show that commitment is a factor with positive effects on organizations performance because employees are determined to work (even after-hours) to fulfill the tasks and for the functioning of the organizations. Therefore, we considered three issues that have an effect on commitment: the relationship with the organization, relationship with the job, and the perceived value of their contributions to the performance of the organization.

Respondents from the private sector perceive that they have a high commitment in all three dimensions. Most of the participants totally agree that their work is important to the organization (80.4%) and that they are trusted at the workplace (69.6%). Also, more than half say they are proud to be part of organizations in which they work (66.3%), they like the work they performed and consider it to be fulfilling (63%) and are willing to do more good organization (60.9%).

Public sector participants stated a medium to high commitment. Specifically, participants moderately agree that they are proud to be part of the organization in which they are working (70.6%), they are satisfied with the obtained results (64.7%), and they are willing to do more for the good of the organization (58.8%), or they like their work (47.1%). However, over half of the respondents strongly agree that their work is important to the organization (64.7%) and that they are trusted at the workplace (52.9%).

The NGOs exhibit the highest level of engagement on all three dimensions analyzed. 85.3% of those who answered this question agree that their work is important to the organization, and 77.3% are proud to be part of the organization. In addition, 73.3% said that they like the work they perform, 70.7%, they consider they are trusted at the workplace 69.3%, and are willing to do more for the good of the organization, this could also be due to the fact that NGO staff usually engage in work driven by their own values and identification with the institutional mission and vision, which is not necessarily the case of public administration or private institutions.

The main issues that cause **stress at work** were identified to be: high responsibility (41.8%), lack, or delay of relevant information (39.1%), work load (33.1%), and income (31, 5%). Interesting are, however, the differences by sector of activity. The most stress factors, with similar percentages, are found in the public administration sector: income, work load and high responsibility (each at a rate of 47.1%) and power games in the organization (35.3%). For the nonprofit sector, the main items of stress are: high responsibility (46.7%) and work load (34.7%). For private companies, the most powerful factors are the lack or delay of relevant information (46.2%) and high responsibility (36.6%).

The data show structural problems for the public administration. Without strict and clear formal procedures, government services face a high level of uncertainty, stress and struggle for status. The hierarchical structure of most public administration institutions emphasize these issues. For the NGOs, the reduced dimension of the staff, translated into high workload and high responsibility for a multiple variety of tasks, has always been a challenge. The pressure for profit in private firms can also be seen in the causes of stress identified by managers. Lack of relevant information, in their case, can only mean slow decision making and as we know, time is money. In the everchanging economic environment, decisions have to be taken in real time and a delay in action is usually seen in company loss.

We note that per ensemble, the leadership commitment to the organization is high - the highest levels occurring among NGOs, while moderate levels are found in public administration.

Using **online communication** is considered important for 93% of the participants. The online environment is used especially for promoting the organization, therefore mainly for enhancing visibility through information provision to the public about the organizations' activities. However, we note that, given the low costs of online communication, the NGOs have the most diversified purposes for which they use online communication (for mobilizing members in collective actions, obtaining feedback from the public and the members, or to get easier potential supporters or collaborators). In order of use, most of the participants turn to website (87.9%), and also to the official pages on social networks (55.1%) and, ultimately, to blogs (13.1%). As regarding to online communication channels, it is easily to see that websites occupy a leading position in all geographic areas, followed by social networks and then blogs. Perhaps this can be argued by the ease of use of website in cyberspace, that it is entirely managed by the organization on its own. However, significant differences are between Bucharest, which has a rate of 87.5% for social networks use, and Moldova with only 34.8% of usage. Interestingly, the largest use of online media is in the South of the country and in Bucharest (100%), while the fewer users are in Moldova (70%).

We also wanted to find the utility of online communication for the organizations. More specifically, in 2014 the virtual environment is used by 85.9% of all respondents for visibility and promotion, 35.1% for the mobilization of members and 20% of participants for fundraising. Also, 68.1% of all respondents confirmed that they use online communication for constantly informing the public, 48.6% see it as a means to access a wide audience, 23.8% favor maintaining the relationship with the press, while 33% to obtain feedback from the public and the members. Moreover, 35.1% consider it important to achieve new potential customers, and 40.5% see online tools as a substitute for other means of communication. Accordingly, we conclude that all organizations, no matter where they operate, use online media in a well and articulated manner.

Conclusions

This study outlines the current image of the Romanian organizational environment in 2014. In particular, we were interested in aspects of management styles, but we also identified perceptions about the challenges faced by organizations like ethics in business, factors that contribute to organizations' engagement or the use of online communication channels.

Like last year, the results of this edition show that the relationship between the organization and the economic medium is still perceived as a difficult one. More specifically, 76% of respondents, regardless of industry, have seen that the economic environment has had a negative impact on the organizations they belong. Of these, the most affected are participants from private companies (52.4%), followed by NGOs (38.7%). Consequently, it is not surprising that among the biggest challenges mentioned by all participants include economic climate (75.9%), the quality of the workforce (71.4%), providing cash flow (67, 8%), and cost savings (61%).

To meet these challenges, the organizations have adopted different strategies: in the private sector there is a tendency to reduce costs and focus on core business, while for public sector and NGOs, the preferred strategy is looking for strategic partners followed by reorganization/restructuring.

Another finding of our study highlights the discrepancies between the assessments of the external environment, in comparison to the internal environment. For example, the perception of ethics in business is rather negative - 77.8% of respondents consider it as being the same or lower than last year. On the other hand, what best describes their organization's management are just aspects of integrity or authenticity; in addition, management is considered to be good in 72.3% of respondent answers. This contradiction raises the question of whether organizations can assess themselves accurately and responsibly, or if, perhaps, they have self-perceptions of positive situations from the inside, compared to outside challenges.

Also, we note that 58.9% of respondents said they had results under the expected level, with 11.9% more than last year. Therefore, participants have a relatively positive picture of the organization, even if the external environment is perceived negatively. Noteworthy, however, is that, of all those who have shown results above expectations (12.9%), many of them come from the non-profit sector (53.8%). On the other hand, however, all of those who mentioned results below expectations (25.2%), the most are from the private sector (62.8%). Therefore, the management should pay more attention to the process of setting objectives, defined in terms of expected outcomes. In order to be successful, the organizations must be adapted to the environment in which the organization operates, timed and realistic.

The study also sought to clarify management aspects, with reference to the intra-organizational and external environment, and the self-assessment of managers themselves. If at a globally level, most of the participants (72.3%) think that their organization has good leadership, we note, however, that there are many needs of leader's development. The most commonly noticed needs are: strategic thinking, decision management (regardless of sector) and communication skills (in public and private sectors) and team building (in the case of NGOs). The fact that 34.2% of respondents felt the need for strategic planning shows the importance of long-term vision that goes beyond the survival of the organizations.

Also, beside communication skills identified as important for the development of managers (47.8%), strategic planning is absolutely necessary to meet the current economic environment that requires flexibility and adaptability to change. Through the development of

the two sets of skills, managers can make better decisions and can convince organization members to work towards implementation strategies and desired changes.

Given that the main challenge the organizations face refers to the economic climate, the application of defensive strategies only, such as reducing costs, cannot be successful on the long term. To successfully face the need to increase competition, organizations should exploit the opportunities that arise in the external medium. By adopting less defensive strategy, oriented on the long-term and encouraging initiative and creativity, organizations could have a competitive advantage in terms of market success. Considering all this, the one of the first factors in importance, in order to achieve results includes flexibility and strategic planning.

But the ability to formulate this strategy is connected to the leadership development needs. Therefore, we can recommend only the strategic decision to invest in the development of managers, so that they acquire the knowledge and tools necessary to contribute to the success of the organization. It is particularly important in this regard the life-long learning development. The access and the responsible involvement in various forms of training provides rare and valuable resources for the leadership (in terms of abilities, skills, attitudes, motivation), that cannot be imitate and/or replaced. In this way, leaders will come to think strategically and creatively use effectively organizational resources that lead to positive long-term results.

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