

## LEADERSHIP IMPORTANCE AND ROLE IN THE PUBLIC SECTOR - FEATURES IN THE CONTEMPORARY CONTEXT

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### Abstract

*Nowadays leadership is considered a managerial and organizational process that influences and guides the activities of the companies. As a management process, leadership can systematically influence the relationships that occur between managers and employees as a result of applying the management functions application. This study aims to highlight the main elements that designate the modern and revolutionary concept named "leadership". The main objectives of the study are: 1). explaining the importance of leadership in the contemporary context; 2). analyzing the similarities and differences between two seemingly similar concepts - "leadership" and "management"; 3). description of the main management styles; 4). analyzing the correlation between leadership and emotional intelligence; 5). explaining leadership role in the public sector in Romania. In every company leadership has a very important role in achieving performance. The leader also plays an important role in a company, because a leader is the person who influences the behavior, actions, positive or negative attitude of others who are determined to act and take decisions voluntarily without fear of being punished if they do not follow the leader. Emotional self-awareness, trust, adaptability, initiative, optimism and team spirit are the ingredients of modern management style which determines the competitiveness of an organization.*

**Keywords:** *leadership styles, emotional intelligence, performance, and competitiveness.*

### 1. Introduction

This study highlights the main aspects that define leadership style in the contemporary business context. The main types of leaders and the essential features of leadership in the public sector in Romania are described. In the present paper we set ourselves to present the main management styles applied by leaders at organizational level, and also to exhibit the role an efficient management style has in Romania's public sector. It is important to identify the main management styles, as managers can obtain success and performance by applying certain management styles. In literature review, the main leadership styles are closely related to leaders' personality, and they are also analyzed in the present paper. Moreover, analyzing the similarities and differences between the concepts that appear to be similar (management and leadership), as well as analyzing the relationship between leadership and emotional intelligence constitutes and highlights the important role leadership has with respect to businesses.

We have to think that leadership is an attitude of life which is required in order to obtain performance and success in everything we do. Leadership is a modern and revolutionary concept and should be adapted to the demands of a modern society which is continuously changing.

The idea that leadership should focus on individual and organizational behavior is important. The community and the organizations should learn together, should create and explore ideas that can generate the proper development of managerial activities. In order to be a successful leader some conditions must certainly be fulfilled, and these conditions are: a leader must think positive, must encourage teamwork, must promote and develop the management culture, creativity and innovation,

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must acknowledge the value of teamwork, must have a clear vision of achieving goals, must be responsible, must assume both praise and failure, must use effective communication tools in his relationships and must facilitate the optimal work climate in the enterprise.

## 2. Literature review

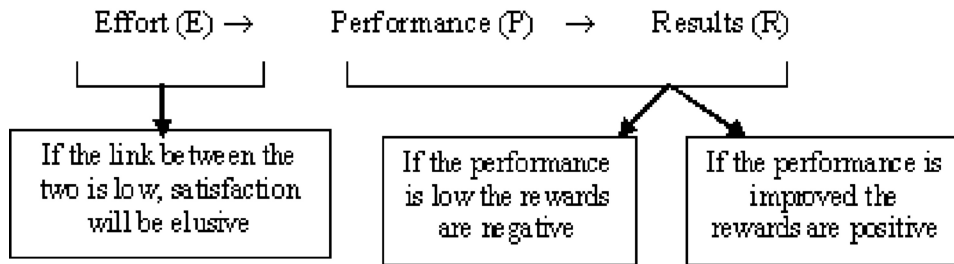
In existing studies of leadership in both private and public organizational contexts, writers have defined leadership in three ways: as a set of exemplary traits, values, and behaviors that individuals possess; the ability to influence action and motivation based on situational contexts and follower characteristics; and ascription among followers.<sup>1</sup> It is important the idea that leadership should focus on individual and organizational behavior. The community and organizations should learn together, should create and explore ideas that can generate the proper development of managerial activities.

People's behavior is influenced by their moods. They take into account a few principles which help them to act in a proper way.

A. Maslow's theory presents the consumers' needs on a certain scale, called "hierarchy of needs" (Maslow's pyramid). The order is as it follows<sup>2</sup>: physiological and safety needs – primary and inferior needs- and social, esteem and self-realization needs - secondary and higher needs. A. Maslow said that an individual makes decisions in order to satisfy his needs in optimal conditions. This is a fundamental premise. A competent leader should focus their subordinates so that they acquire that knowledge and needs that might move them to the top of the pyramid.

Starting from Maslow's hierarchy of needs, F. Herzberg broadened the area of the debate highlighting both the hygiene factors (working conditions, colleagues, salary, security, and personal life) and motivational factors (promotion, responsibility, recognition).

L. Porter and Lawler have developed Vroom's theory. According to this theory, the performances of the firm depend on certain variables: effort, expected performance and results, personality awards. Lawler's model is based on the motivational behavior which is influenced by two types of experiences:<sup>3</sup>



**Expectation (A) calculation model:**  $A = (E \rightarrow P) \times \sum [(P \rightarrow R) \times V]$ , V = valence results.

Leadership is the art of expressing how to think and act according to principles, courage and discipline. Through leadership an organization can achieve its objectives that lead to obtaining the expected results and performance. Management styles are performance instruments and can affect the relations between the organization members and its customers.

<sup>1</sup> A Carol Rusaw, *Administrative Leadership in the Public Sector* ; Public Administration Review. Washington: May/June 2009. Vol. 69, Iss. 3, p. 551-553 (3 pp.)

<sup>2</sup> A. Maslow, *Motivation and Personality*, New York, Harper & Row, 1954.

<sup>3</sup> Vezi Cătălina Bonciu, *Introducere în managementul resurselor umane*, Editura Credis, Capitolul III, București, 2008.

Two types of leadership are presented in the literature review: formal leadership and informal leadership. Formal leadership is based on the capacity of the leaders who have a superior position to influence their subordinates. Informal leadership emphasizes the leader's ability to influence an informal group with positive or negative characteristics. Thus, there are two types of leaders: formal leaders, who cannot be accepted in a group and informal leaders, who have the ability to guide and understand their subordinates.

### 3. Leadership versus management

This table summarizes the differences between being a leader and being a manager:

Table no.1

Subject	Leader	Manager
Essence	Change	Stability
Focus	Leading people	Managing work
Seeks	Vision	Objectives
Dynamic	Proactive	Reactive
Wants	Achievement	Results
Power	Personal charisma	Formal authority
Have	Followers	Subordinates
Horizon	Long-term	Short-term
Conflict	Uses	Avoids

Source: adapted from [www.changingminds.org](http://www.changingminds.org)

There is a question regarding the difference between leadership and management, but the correct answer cannot be found at the first try. At the first sight this are two similar concepts, but in reality they are different.

Leadership reflects the human dimension of management, that side which makes it possible for a manager to influence and lead the group (...). This concerns not only an operational side, but also an emotional one, which is based on the authority of the manager and on his human qualities (...)<sup>4</sup>. This is leadership, a component of the management.

Management deals with an overview of the various complex issues. Is important to note that just by thinking of the main function of the management, leadership can be included in this complex process that is management.

### 4. The importance of management styles

The management style leaders can express the performance obtained by them and it may be the instrument through which can be identify employees' satisfaction at the individual or group.

M. Zlate makes a complex identification of the management styles and shows that this analysis is given by<sup>5</sup>:

-practicing a certain style of leadership which has relevant effects on the psychological climate and on the labor productivity;

<sup>4</sup> V. Cornescu, I. Mihăilescu, S. Stanciu, *Managementul organizației*, Editura ALL BECK, București 2003, p. 221-222

<sup>5</sup> vezi Mielu Zlate, *Leadership și management*, Editura Polirom, Iași, 2004.

-leadership style which influences the actions of the team members;

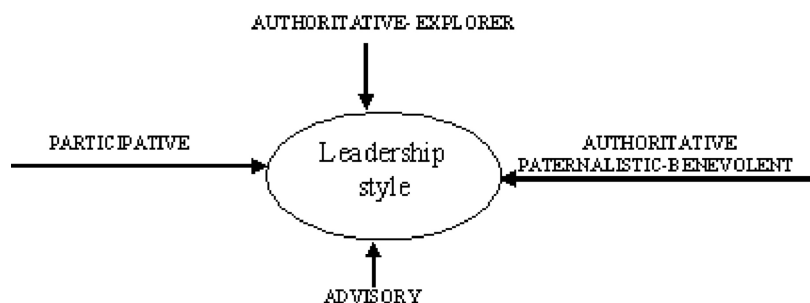
-leadership is an organizational variable that influence the interpersonal relations in the organization and is affecting all people. Presentation of the leadership styles is complex, but in the literature review the following management styles are acknowledged and studied thoroughly:

- 1). Leadership styles depending on how decision are made.
- 2). Leadership styles in relation to the efficiency criterion.
- 3). Leadership styles in relation to the values that guide the behavior of management staff for their work in an organization.

#### 1). Leadership styles depending on how decision are made

Kurt Lewin, a renowned specialist in the field of research has identified three leadership styles<sup>6</sup>: authoritative leadership styles, democratic leadership styles and permissive leadership style (laissez-faire). Seeing this classification research has not stopped. These studies have been extended by R. Likert, R. Lippi, R.K White, N. Mayer, J. Brown and other researchers in the field.

In his research R. Likert<sup>7</sup> has identified four leadership styles:



Source: Authors

**Authoritative leader** does not allow to the subordinates to express freely their opinion and he is always preoccupied by the desire to occupy high positions. He also has a critical attitude regarding his behavior towards his subordinates and always creates always conflicts. These leaders are dynamic persons who have a great confidence in their forces and can appreciate their own performance because they think that only they can successfully fulfill certain responsibilities. Because of their authoritative behavior most of the subordinates are discouraged and their interests regarding certain tasks are relatively low. Authoritative leaders are concerned about recognize and praise their hits instead of encourage their subordinates who carried out certain activities. In case of failure, authoritative leaders are not realistic and honest, placing the responsibility for a failure to the other team members. These leaders don't accept the idea that they may be wrong because they considered that everything they do is perfect. **Democratic leader** can obtain performance only if he involves the subordinates in establishing the organizations goals. He must ensure that the subordinates participate to the tasks distribution. This management style brings only benefits to the leaders because through it they can diminish the tensions that arise between the team members. **Permissive leader** is characterized by the expression of its disinterest in the coordination of the group. The members' teams are allowed to set the organizations goals. They are, also, let to distribute the tasks. If a leader is practicing this leadership style he cannot obtain performance. He can obtain only confusion and inefficiency.

<sup>6</sup> Kurt Lewin, *Psychologie dynamique*, Paris, PUF, 1967, p. 196-227.

<sup>7</sup> R. Likert, *New Patterns of Management*, McGraw-Hill Book Company, New york, 1961.

J. Brown has identified the following types of leadership: authoritative leader (absolute authoritative leader, benevolent authoritative leader and incompetent authoritative leader) and democratic leader (democratic advisory leader and participative democratic leader).

**Absolute authoritative leader** is a severe leader whose orders are followed by the subordinates. The subordinates take action like their leader does without expressing their own opinion. **Benevolent authoritative leader** involves his subordinates in setting the goals and distributing the tasks, but the major decisions belong to them. **Incompetent authoritative leader** is always insecure of his decisions. **Democratic advisory leader** takes into account the subordinates opinion when he launches an idea, but the decision belongs to them. **Participative democratic leader** involves his subordinates in making the decisions.

### 2). Leadership styles in relation to the efficiency criterion

The following types of leaders are emphasized in the literature review according with the criterion of efficiency<sup>8</sup>.

**The Organizer** takes actions rationally and accurately, organizes the work of subordinates, but gives them independence to make decisions in various situations. He is a formal leader who solves the problems in a regular way.

**The Participator** is a leader who encourages teamwork using the communication means, direct collaboration, and who accepts criticism and suggestions of team members.

**The Entrepreneur** is the leader who seeks to obtain positive results and stimulates competitiveness. He is strict with his subordinates and tries to resolve conflicts openly.

**The Realist** is the leader who lets his subordinates to come up with proposals and solutions of specific problems which are arising in the business management and he believes that mutual respect and trust are the requirements to be met best in the relationships within the enterprise.

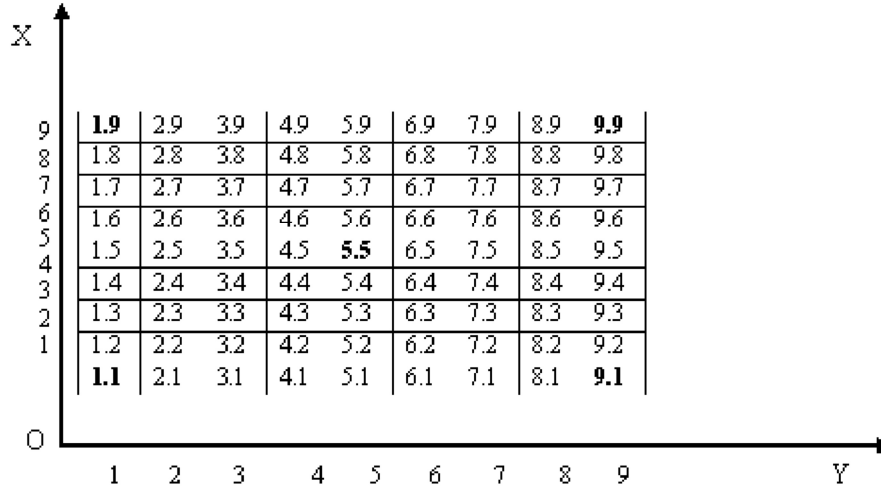
**The Maximalist** is a leader who wants to achieve his purpose quickly. He is rigorous with his subordinates and he gets positive results in some conflicts. **The Bureaucrat** uses his diplomas and titles to intimidate his subordinates, avoids making decisions that require a great responsibility through from his part. He doesn't encourage the communication and the views of subordinates who have special practical skills. **The Demagogue** is a leader who encourages his subordinates, team spirit leads his actions, he does not encourage fighting, and even avoids them. **The Technocrat** is a leader who has an authoritative attitude and the respect for hierarchy in the firm is a necessary prerequisite to his subordinates. The interpersonal relationships are threatened by his dictatorial attitude which creates tension. Those subordinates who did not respect his decisions are respectfully removed by him. **The Opportunist** is the leader who is attentive to obtain personal satisfaction using intrigue in his relationship with his subordinates. He is the one who uses the compromise to achieve his goal. **The Utopist** is the leader who makes decisions in hurry and is not a good organizer of the team. He spends time encouraging the discussions and so, he doesn't obtain positive results.

**To be a successful leader**, certainly some conditions must be fulfilled in , and these are: a leader must think positive, must encourage teamwork, must promote and develop the management culture, should promote creativity and innovation, must recognize the value of the teamwork, must have a clear vision of achieving goals, must be responsible, must assume both praise and failures, must use effective communication tools in his relationships and should facilitate the optimal work climate in the enterprise.

**3). Leadership styles in relation to the values that guide the behavior of management staff for their work in an organization** are presented in the literature review accordance with two criteria: two-dimensional criterion and three-dimensional criterion.

Robert R. Blake and Jane S. Mouton proposed a dimensional management styles classification. According to these criteria, managers' activity is oriented towards production and towards staff<sup>9</sup>.

<sup>8</sup> Vezi W. J. Reddin, *Les ,, 3 dimensions du dirigeant"*, Management France, Paris, 1968.



OX→ degree of interest is oriented towards production;

OY→ degree of interest is oriented towards staff.

**The authors have presented only five leadership styles:**

1). **1.9 Style** is characterized by a great attention directed towards production. The interest regarding the personnel's is lower. The leaders are authoritative and the subordinates' opinions are not taken into account. The effort is small, the results are poorly and, in this case, the performance is lower.

2). **9.1 Style** is characterized by a greater attention which is oriented towards personnel, and little interest towards production. The leader motivates his subordinates and takes into account their point of views. Performance is good, but the manufacturing activity is low.

3). **1.1 Style** is characterized by a low interest regarding the production activities. Team performance is smaller and the leader is not involved in major decisions. The subordinates are those who make decisions.

4). **5.5 Style** is characterized by a moderate attention towards staff and a medium interest towards production activity. The leader, in this case, is a person who avoids conflicts, accepts some compromises and finds solutions to obtain a satisfactory performance.

5). **9.9 Style** is characterized by a great attention directed both towards production activities and towards staff. The leader who applies this leadership style makes rational decisions, achieves maximum performance, encourages power, compromise and avoids open conflict.

J. Reddin suggested a dimensional classification of the leadership styles, such as: managers' orientation towards goals or tasks, managers' orientation towards interpersonal relations and, also, the group psychology and its performance.<sup>10</sup> The apparent correlation of these three categories generates the following types of leaders<sup>11</sup>: **the negativist** whose actions are not oriented towards goals, interpersonal relations or efficiency; **the bureaucrat** whose actions are oriented towards obtaining the incentive profit; **the authoritative benevolent** whose actions are oriented towards

<sup>9</sup> R. R. Blake, J.S. Moutin, *Les deux dimensions du management*, Les Editions d'Organisation, Paris, 1972.

<sup>10</sup> W. J. Reddin, *Les 3 dimensions du dirigeant*, Management France, Paris, 1968.

<sup>11</sup> Vezi V. Cornescu, I. Mihăilescu, S. Stanciu, *Managementul organizației*, Editura ALL BECK, București 2003, Capitolul XI.

tasks and efficiency; **the hesitator** whose actions are oriented towards tasks and interpersonal relations; **the altruist** whose actions are oriented only towards interpersonal relations; **the promoter** is that leader who stimulates human relations and whose actions are oriented towards achieving efficiency; **the creator** is the real manager who gives importance to the three dimensions.

### 5. An effective leadership approach and the emotional intelligence

A leader can obtain success by practicing an effective management style. If we ask why they are so effective we think about strategy, vision and incentive ideas. But the reality is different ... true leaders are those who feel and live with those involved in the organization activity. Emotions are the source of success.

Daniel Goleman said that, no matter what leaders aim to do - to create strategy or mobilizing teams to action- their success depends on how they act. Even if they do well in all other chapters and fail in the basic task of channeling emotions in the right direction, everything they do cannot be like they wished.<sup>12</sup>

The prosperity of a modern organization depends on the emotional responsibility of the leader who is influencing the results obtained by the whole team. The leader is the person who influences and guides the emotions of the team. They should create a link between them and their subordinates in order to obtain positive results. But if the leader directs the emotions in a negative sense, subordinates are pessimistic, and they can not obtain good results.

Emotional intelligence is the key to leadership. Leaders who take full advantage of the benefits of leadership based on emotional intelligence, channel the emotions that guide them in the right direction<sup>13</sup>. A company that is led by a leader who motivates and inspires his subordinates can be considered a modern and innovative company.

The specialists believe that emotional intelligence is the competency key that can lead a company to obtain the desired performance. Emotional intelligence is the art by which leaders stimulate their subordinates, and success or failure of an organization depends on how they manage their emotions.

Emotions influence the results obtained by the leaders and their subordinates. Strong emotions generate tension between the team members. But when negative emotions, anger or anxiety, appear are seen only the negative side of the situation and all the negative things in it. Negative emotions such as anger, or feelings of uselessness, influence and distort the work of team members.

Daniel Goleman emphasize an important issue, namely that leaders influence business climate and hence the propensity of employees to satisfy customers<sup>14</sup>.

For example, according to a survey of 19 insurance companies, the working climate created by the leaders was the indicator of business performance throughout the organization: in 75% of cases, companies could be divided into companies with high rate and profits and companies with small profits and increase rate, only depending on the working climate<sup>15</sup>. So, how do people feel when they are working influencing business results.

We often think who is affecting the business climate? The answer is simple: leadership actions determine the extent of 50% -70% on how people perceive the professional climate in a company.

The leader must submit self-confidence, positive emotion, clarity, seriousness in making decisions. Effective relationships with subordinates and customers, can lead to achieving performance in a modern organization.

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<sup>12</sup> Daniel Goleman, Annie McKee, Richard Boyatis, *Inteligență emoțională în leadership*, Editura Curtea Veche, București, 2007, p. 19.

<sup>13</sup> Daniel Goleman, Annie McKee, Richard Boyatis, *Inteligență emoțională în leadership*, Editura Curtea Veche, București, 2007, p. 22.

<sup>14</sup> Ibidem, p. 33.

<sup>15</sup> Daniel Williams, *Leadership for the 21st Century: Life Insurance Leadership Study*, LOMA/ Hay Group, Boston, 1995.

### 6. The role of leadership in the public sector in Romania

In our country leadership role in the public sector should be considered in connection with sudden changes occurring continuously in the business environment.

In Romania, leader's creativity and innovation should not be influenced by legal regulations which are governing the work of employees in the public institutions. Generally, in the public sector the concept of effective leadership style is confused with the notion of authoritarian leadership style, without distinguishing leadership from management. True leaders are those who encourage the team spirit, motivate subordinates, and develop creativity and innovation. Communication with their subordinates is the best solution for a leader to achieve performance. Performance is the result of communication and of a flexible management style. Only a leader who takes into account the ideas of his subordinates can achieve the organizations targets in a short time. Leaders should stimulate the competition among their employees. Those who are involved in the organization activity are always concerned about getting good results so that they can find appropriate solutions in achieving the targets. If the leader encourages and requires an appropriate working climate, the employees become receptive to his ideas. In our country, leadership development must become a priority that must take into account the creativity and innovation of those persons who work in a company.

According to John Aidair, an effective leadership is influenced by leaders who can provide an appropriate working climate to their employees.

**Table no. 2:**  
**How to apply an effective leadership**

1.Do	*establish and assign the tasks to the team members;
2.Act	*be in contact with the team members and forward the tasks;
3.Check	* initiate action, make decisions, always check the work of the team;
4.Stimulate	*stimulates creativity, promotes innovation, eliminates the tension between the team members;
5.Plan	*take into account the opinion of subordinates, review their ideas and put them into practice;
6. Estimate	* evaluate the activities of team members by checking their plans and their decisions.

**Source: Adapted from John Adair, Understanding Motivation, Guildford, London, 1990, p 78-79.**

### 7. Conclusion

The implementation of an effective leadership style is conditioned by leaders' skills in finding new ideas. They should transform these ideas in realizable actions to obtain the success. Leaders are those who find many ways in leading their subordinates in order to achieve the organizational objectives.

Leadership style is also reflected by leader's behavioral features. An effective leader can lead a company and its employees to find solutions to a various problems.

Leaders are those who implement an effective strategy, but they put first the employees' needs instead their own success.



There is no leader to born with the ability of a perfect leader. This capacity is acquired and can increase if the leader interacts with his subordinates. But if the leadership style is incorrectly applied the results are inefficient and can create tensions and conflicts.

S. Certo believes that leadership influences the individuals' behavior. The management functions highlight the complex relationship that exists between leadership and management, focusing on behavioral issues. Leaders are using certain tools to stimulate and motivate their subordinates, to encourage their actions, to promote the teamwork. In this way, the subordinates are confident in their own forces and the results are positive and effective.

The effectiveness of a leader is recognized when he combines features of leadership style with a flexible cooperative behavior. The leader should be optimistic, enthusiastic and friendly with his subordinates. He should have a modern vision, should be creative and should encourage his subordinates to express their own ideas. The main qualities of an effective leader are: intuition, perseverance, self-control, modesty and responsibility.

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