

## LEADER AND LEADERSHIP IN THE INTERNATIONAL COMPANIES

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### **Abstract**

*Within the actual global economy context, competition will be complex, challenging and full of competitive opportunities and threats. Effective leadership practices can help international corporations improve performance while competing in turbulent and unpredictable environments. Leadership has been defined in many different ways, but most definitions share the assumption that it involves an influence process focused on facilitating the performance of a collective task.*

**Key-words:** *international corporations, competition, leader, leadership, bussines environment*

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### **Introduction**

In the economic context today, each company needs to reinvent itself versus its clients and be aware of the fact that we live in a global society, of information, inter-culturality and inter-communication. The rapid pace of changes in all activity fields is one of the defining features of the present economy and, in order to have a high performance, the companies have to be able to constantly adjust themselves. The efficient communication, the strengthening of relations among employees, the involvement, mutual support and teamwork spirit are essential in developing the activity of the international corporations as for the more or less predictable changes on their markets.

Leadership emerges every time a group of people put together and harmonize their efforts in an attempt to reach a common objective. As there is a formal and an informal organization in each corporation (greatly different), the informal leaders may not be the same ones as the managers, i.e. the leaders in the company hierarchy. Under these circumstances, it is obvious that a good manager will also be a good leader, but a good leader is not always a good manager.

The economic crisis was quite an unexpected event and the impact on several sectors was really great. A leader with real competencies will assume responsibility, takes decisions related to the group under his command, keeps calm and gives trust to the employees. The economic crisis moments are the best occasions when the managers may practice and prove their leadership qualities.

## **Literature Review**

Hilarie Owen, Vicky Hodgason, Nigel Gazzard (2010) have written about leadership and considered that building of the leadership ability is a learning process that takes many years and involves a combination of study, reflection, practice and knowledge acquisition. Likewise, it implies the building of an organizational culture that stimulates autonomy and teamwork spirit. The leadership handbook is a good starting point in this process, since it places leadership in the dynamic and complex context of the organization nowadays.

Similarly, Dean Williams (2010) talks about the fact that many of leadership concepts spread all over the world do not suit anymore the present challenges.

Real leadership is not having strong opinions to impose on the group. It is not either attracting 'loyal followers' to show them the 'way ahead'. Real leadership is when people are made to answer to the adjustable challenges, which may not be approached by managerial solutions or procedures but only by a move into the system of values and mentalities.

A psychological approach is that of Mielu Zlate's (2008) – a synthesis of the controversial theories about the 'art/science of leading.' The author examines theories, concepts and methods in the leadership and management areas, and provides a critical perspective upon a vast and pressing issue of the social life and practice.

### **The general problem and the principles of leadership techniques**

For the last decades, we have been witnessing the development of the leadership concept, a component of management that focuses on the relation among employees. A more and more talked about topic, leadership is now the platform for numerous ideas on the management phenomenon.

The relevant literature includes a number of definitions for leadership. This is the process that allows a person sets an objective for one or more people and makes these people act together, in competence and full dedication, in order to reach it. Also, leadership is the ability of a leader to organize a group of people who, based on the operative and affective involvement, work together to reach a joint objective. Leadership comes from the teamwork spirit, which is defined as the desire of the individuals to think, feel and act in harmony in order to achieve joint purposes. It is obvious, then, that a good team will obtain the desired results faster.

Leadership means 'to bring the people vision to a superior level, to increase their performance to a higher standard, to build their personality over normal limits' (P. Drucker, 2001). On the whole, it is perceived as the activity 'to create a vision which some people aspire to and become stimulated to fulfil that vision' (Anita Roddick, 2005). Or, it is described as 'a dynamic process in a group, where an individual influences the others to voluntarily contribute to the group tasks in a given situation' (G.A. Cole, 1994). This leader attitude who tries to mix the organization objectives to the individual ones is called leadership in the literature.

Leadership takes into account the human dimension of management in the process of involving or stimulating the group of people by the leader. Without any

teamwork spirit, there is no leadership. The leadership content and efficiency depend on the characteristics of the organization involved in it and on the leader ability to understand and consider things. From the efficiency perspective, it involves the ability of a person to build a vision, to orient the actions, to bring the individuals together, to follow up on the project and to obtain results via organizing, controlling and problems solving.

The importance of leadership within international corporations is obvious. Their management has to react at the same time with the environment changes and integrate such changes into the activity of the companies in such a way to keep its stability. Besides the professional and management knowledge, a leader needs to have the ability to make the employees acquire maximum results. If people have competent leaders, with real abilities in organizing the team and distributing the work, employees gain more trust in their capacities, find work more interesting and understand the importance of maximizing the achievements. Leaders stimulate the change and lead people to a vision. This thing means that leaders face many challenges and, thus, are coerced to adventure to new directions. A competent leader needs to have a vision for the organization and the passion to turn this vision into action.

Leadership is the key of success for individuals, organizations, regions and countries where we live. Currently, the organizations need effective leaders and managers for carrying successful actions. A leader must be able to walk an unbeaten path, have the courage to take decisions within the group and manage both success and failures. Also, he needs to stay 'uncorrupted' in any situation, and his actions should be transparent. It is important for a leader to create opportunities so that the employees can develop professionally.

The main characteristics of leadership are:

- it is a process that involves influence and is in a direct relation with the ability to influence the people behaviour;
- it is present in a group context (at least two people are necessary);
- it contributes to creating a general vision upon the company activity;
- it produces changes, progress and helps setting the strategies;
- it sets the direction and increases the engagement of people involved in achieving the objectives;
- it builds teams; the leader has to know the way how the members contribute, quantitatively and qualitatively, depending on their personality;
- it contributes to maintaining an efficient interaction, involving the focus of the group on the desired objectives and achieving a balance of each member's participation into the work task;
- it creates a work environment that stimulates the continuous improvement of the individual and group performances;
- it motivates, inspires and transmits positive energy, gives inspiration and makes each individual feel important and valued;
- it respects the values and behaves ethically.

In order to better understand the leadership importance within the international companies, we need to be aware of the 21 irrefutable laws governing it:

1. **Law of the lid** – Leadership determines a person’s level of effectiveness. The ability to lead is always triggered by the personal freedom and organizational efficiency. No matter how hard a person would like to achieve within a company, this is limited by the leadership ability.
2. **Law of influence** – The true measure of leadership is influence. In order to be able to make changes within the organization, you need to have a great influence upon the people involved in the objectives-fulfilling activities. You have not this influence, you will never be able to lead. Leadership is not about the position within the organization, but about the ability to influence the individuals.
3. **Law of process** – Leadership develops daily, not in a day, it is learnt in time and consists in developing and improving the leaders’ abilities. The successful leaders always learn.
4. **Law of navigation** – Leaders have the vision of their destination; they understand what they need to get there, whom they need to reach their purpose and foresee the obstacles way before they emerge.
5. **Law of addition/EF Hutton** – When the true leader speaks, people listen. It is very important to find the reactions of the people around him.
6. **Law of solid ground** – The trust of people is the foundation of leadership. In order to build trust, a leader needs to exemplify certain qualities: competence, connection and character. Character makes people trust possible and trust make leadership possible.
7. **Law of respect** – People naturally follow leaders stronger than themselves. People do not follow other people without a reason, but people whose leadership style brings about respect.
8. **Law of intuition** – Based on facts, besides instinct and other non-corporeal elements. A leader needs to understand the situation and instinctively know what decision to take. Leadership is more art than science.
9. **Law of magnetism** – Leaders are always in search for good people and are looking for employees who have the same qualities as they do. The better the leader is, the better employees will attract.
10. **Law of connection** – The efficient leaders know that they have to touch people’s heart before asking for help. In order to connect with people in a group, the leaders must interact with them at an individual level.
11. **Law of the inner circle** – A leader’s potential is determined by those closest to him.
12. **Law of empowerment** – Only secure leaders give power to others. The people ability to achieve objectives is determined by the leader’s ability to empower.
13. **Law of the picture** – You need a leader to raise another leader. The potential in an organization depends on how leadership increases.
14. **Law of buy-in** – People buy into the leader, then the vision.
15. **Law of victory** – Leaders find a way for the team to win.
16. **Law of the big mo** – There is a need for a person to motivate the people around him.

17. **Law of priorities** – Leaders understand that any activity is important and brings accomplishment.
18. **Law of sacrifice** – A leader must give up many things to go up. Sacrifice is a constant in leadership.
19. **Law of timing** – When to lead, is as important as what to do and where to go. Only the best-timed action will bring you success.
20. **Law of explosive growth** – The key of the economic growth is leadership. To reach the top level, a company needs to have competent leaders.
21. **Law of legacy** – A leader's lasting value is measured by succession.

### **Principles of leadership techniques**

Leadership turns to a varied range of methods and techniques that it operates differently, depending on the parameters of the managerial situation in progress. The most frequent are: a precise definition of the objectives to be achieved via leadership; distributing the awareness information, of knowledge, attractiveness, persuasion, inspiration, acting of the subject depending on the leadership objectives; the frequent choice of delegating tasks, competencies and authority; mentorship (a specific technique used by managers to promote leadership) that consists in regular meetings between manager and his subordinates, where they openly talk about their potential and professional evolution, via the company opportunities.

Some of the underlining principles of leadership are:

- **Modelling the behaviour that a leader wants from other people.** It is very important that a leader walks the walk and talks the talk. If his words are different than what he does, people will notice it and lose trust. The best way to encourage an exemplary behaviour is to model the people's habits.
- **Thinking should be both strategic and tactical.** The overall image is essential and the alignment of efforts to its level, but always look at details. Non-efficient leaders are always too much oriented to details, which leads to the employees' micromanagement and loss of the general image. On the other hand, to superficially look at objectives reaching means no results. It is ideal to find the optimum point between strategy and tactics.
- **Appreciates the people responsibility and skills.** Those leaders who do not have clear responsibilities will become stressed out and will carry out activities that do not increase efficiency at all.
- **Result-centred.** Highlighting the results over people is the best short-term tactics. To place people ahead the company outcome will support the company long-term development. Paying the same attention to people development and the company outcome is to secure the company success for a longer period of time.
- **Administers complexity and cooperates with ambiguity.** Lack of tolerance for ambiguity and complexity lead to inefficiency, incorrect definition of problems, solutions and roles to be played by each employee. Leadership will have

to search into content summaries and process them more frequently in order to avoid ambiguity.

- **The need to control is understood and diminished.** The disfunctionalities of many leaders may be found in their strong urge to control. Leadership may be stressful if a leader does not trust his team.

### **Leadership of the international companies within the world economic crisis context**

The present crisis has had an impact both upon the international and national companies. The economic circumstances nowadays are limited to the changes and restructuring at an organizational level, either they target reduction in certain directions or concentration on others. The optimal administration of such changes is the concern of the managers at all levels. Even since the onset of the crisis, the companies have focused on reorganization, outcome increase and sales.

The changes that occurred has major influence upon the human resources. Any modification within organization means to break the routines. People will manifest resistance, in a way or another, wishing to maintain their status. Also, changes create confusion, as the employees find themselves in an ambiguous environment and they do not know how to react.

In a turbulent environment, to forecast the future events is difficult – or to set the objectives to be reached. As a result, the most difficult task of those who initiate the change is to develop a vision, which will later on they will turn into a viable strategy to be implemented into the organization. It is quite risky to generate a major change in an organization – but the companies have no other choice and managers will become agents of change with the purpose to control the variables that have a potential to influence the organization evolution.

During the latest economic exigencies, it has become obvious the need to fill in the leader role – because a totally different range of skills is required during crisis. As defining elements for the leader, we mention the strong urge of self-determination, the desire to work to align own values with the behaviour, satisfaction for the decisions taken, clarity in terms of values, priorities, preferences. The most important feature for a leader is the skill to be quick and determined. He needs to have the ability to evaluate the company position and take the difficult decisions.

Nothing will test better the qualities of a leader than a crisis. The way how the leader handles the emotions, behaviour and skills of people who are in the middle of a crisis will reveal quite a lot about his character profoundness. Obviously, the leaders will have to lead themselves too during crisis, and they have to face their own emotions and needs. For some leaders, this is the biggest challenge. The management of a crisis and provision of leadership are not the same thing. The former refers to operational issues, while the latter will mainly deal with the way how leaders handle the human reactions, including their own. During a crisis, the leaders concentrate very often on the emotional outburst of the organization members, but it is quite equal that they take care of themselves then.

A crisis may have a huge impact upon the human needs, emotions and behaviour. This is the reason why a leader must always think in present, talk to people whom he trusts and consider their opinion, set priorities and focus on the positive side.

### Conclusions

A company may have all the possible advantages: large financial resources, an excellent position in the world, state-of-the-art technology – but if it lacks leaders, all the above will vanish.

Any organization is ready for leadership, but not necessarily any manager is ready to take the step to become a leader. Leadership may be considered inherent to the management the moment management becomes a natural and inspired process, where people follow their professional objectives from their principles and not from obligation. This ‘inspiration’ is due to the challenge and the attractiveness level of the mission, and not to the fact that people are told what to do.

Companies will differentiate each other in terms of size, intentions, approach (local or global) and the ability to change, to adjust for the future – essential for any company. Any organization should start by getting ready for leadership, since this approach is beneficial, irrespective of its type.

At present, there is an urgent need for leaders and managers, ready to start building the future of their own companies, based on the new business realities.

Within companies, change has to be brought about and not only managed – therefore, the management will prove this is the best way to come out of the economic crisis-generated blockade.

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