

# LEADERSHIP STYLES DURING CRISIS: 'WE'RE ALL IN THIS TOGETHER... THE CRISIS AS NEW NORMALITY'

## Abstract

The study comprises an inquiry into decision-making managerial styles and attitudes towards crisis and recession, by means of 219 structured interviews conducted with managers in 2009, 2015 and 2016. From the reflexive-pragmatic perspective of a cost-benefit analysis, specific patterns emerge concerning autocratic and participative trends, gender and the private vs. public sector. The article streamlines the role of leadership in coping with crisis demands. It highlights strategies by which managers take delicate decisions and communicate them, perform emotional labor during downsizing and respond to deteriorating workplace standards.

Results suggest that organizational managers draw more inspiration from artists, historical figures and movie characters, and are less inclined to acquire insight from sector-relevant entrepreneurs. As an indicator of globalization, international role models are, overall, considerably more mentioned than national ones. Valuable facets of managerial assignments include opportunities to exert agency through ownership and empowerment. Interviewees interpret their self-determination as a possibility to deliver a meaningful contribution, while enjoying work for its own sake. For high income, time-poor managers, both intensive and extensive time investments signal the downside of schedule flexibility due to the acceleration and intensification of work rhythms at atypical intervals, during the weekend or holiday overflows. Role overlapping and conflicts are discussed in connection to implications for managerial training, task assignment and organizational staffing.

**Keywords:** managerial style, authority, leadership, economic crisis, decision-making process, downsizing.

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## 1. Introduction

The persistent crisis context provides a venture ground and a naturalistic, go-live experiment for reshaping leadership styles that can ‘make or break’ an organization’s reputation, success and very survival. An economic crisis is an exceptional situation in which the economy of a country experiences major negative changes with huge economic, social and cultural consequences. It is a significant transformation of the environment in which organizations are functioning and their leaders are making decisions. Contingency approach to leadership has emphasized the major role the context plays on the effectiveness of managerial or leadership styles (Fiedler, 1967).

The aim of this research is to portray the leadership styles of Romanian managers working in several types of organizations, by means of a comparative analysis between the public and the private-owned economic sector in Romania. As further detailed in the methodology section, the study relies on 219 structured interviews conducted with public-sector and corporate leaders. The public-sector interviewees are predominantly middle-level civil servants from secondary education, healthcare, military and police, whereas a minority of 12 interviewees are political leaders, appointed at the local administration level. The analysis dwells on a set of interconnected dimensions that focus on the impact of the persistent recession on leaders’ decision-making patterns concerning challenging or unpopular courses of action. In the context of a responsibility gap, skepticism and widespread mistrust of leadership in various realms of social life (applied to political leaders, to name just the more salient examples), it is important to determine the impact of decision-making as a core managerial function on enhancing the capital of credibility across organizations.

The subsequent objectives follow:

- To analyze the typology of challenging decision-making processes that managers implement, while deploying tactics to preserve their capital of trust and credibility under unfavorable circumstances;
- To examine the autocratic and democratic coping strategies that managers employ when confronted with economic downturn across public and private sector organizations;
- To explain the managers’ self-assessment of advantages and shortcomings related to their own organizational position, mission and mandate in terms of authoritarian vs. democratic managerial styles; and
- To highlight the manager’s sense-making and projected self-image involved in the metaphorical identification with a famous leader or role model through the lens of authentic leader dimensions.

The study intends to find relevant answers (derived from empirical findings) to the following research questions:

- How is a manager’s metaphorical identification with a famous historical leader shaped, in terms of behavior modeling, impact and expected outcomes?
- How does a manager estimate the impact of the current economic downturn on organizational performance, learning and development prospects?

- How does a manager assess the most suitable course of action when dealing with problematic decision-making, or the choice between autocratic and participative approaches?
- What advantages and drawbacks do managers consider in a cost-benefit analysis of the leadership style that they practice?

## 2. Theoretical perspectives

### 2.1. Leadership models or styles?

We frequently find references to ‘leadership models’ or ‘leadership styles’. According to some authors, such as Lussier and Achua (2004, pp. 146-161), models and styles are interchangeable concepts. Beyond that assertion, authors use the notion of ‘*model*’ more often when discussing *prescriptive* models and more often ‘*style*’ (but also models) when talking about *descriptive* ‘models’ (Preda, 2006, p. 98 *apud* Lussier and Achua, 2004, pp. 159-161).

Vernacular knowledge has spread the use of ‘models’ conceived as pre-established (*aprioric*) constructs or referential etalons, standards of practice, or behavioral examples that can be replicated, migrated and adapted to fit into biological or organizational life. ‘Style’ is used for describing distinctiveness, someone’s unique way of performing an action (dressing, playing, speaking, etc.), which is challenging, if not altogether unlikely to imitate.

The ‘leadership model’ is envisioned as a Weberian ideal-type or theoretical conceptualization that embraces particularities across multiple levels and layers of organizational reality. Conversely, ‘a leadership style’ is anchored into real-life ways of behaving in organizations. Theoretical leadership models inferred by scientists and researchers do not have a direct, best-fit equivalent in corresponding leadership styles derived from organizational practice (Preda, 2006, pp. 98-99).

The criteria of analysis and evaluation sometimes overlap, get simplified or hybridized when scientific literature discusses leadership styles. Their descriptions most often originate from conceptual models, rather than organizational practice, and dwell on three core elements:

1. theories (classical, human relations-based, contingency, transactional, transformational, behavioral, authentic, servant leadership, etc.);
2. context (group/followers characteristics, nature of task – algorithm-type structure vs. heuristics-prone creativity, time pressure, control over resources, type of decision, etc.); and
3. the two-fold purpose, either prescriptive (which normatively indicates to the leaders which model to use in a given situation) or descriptive (presents alternatives from which leaders can select the most suitable according to their own evaluation).

Arguably the most conceptually fertile typology in leadership theory concerns the behavioral (and descriptive) polarization between autocratic and democratic models.

These dichotomic, polar references encapsulate both explanatory power and practical applicability and do not represent ends of a continuum, as appears across normative approaches or Schmidt’s model (Lussier and Achua, 2004, p. 147, pp. 157-158).

**Table 1:** A comparative outlook on the main characteristics of autocratic vs. democratic leadership models

Criteria	Autocratic model	Democratic model
1. Main focus	Tasks/achievement (functional, instrumental)	People (expressive, relational)
2. Decision making approach	Non-participative, directive	Participative, progressing through consultation with stakeholders
3. Authority	Centralized (prefers to control him/herself everything)	Decentralized, delegated, inspires trust, gains social capital
4. Problem solving approach	Conflict/confrontation	Cooperation /negotiation
5. Motivation strategy	Extrinsic and negative (based on punishments)	Intrinsic and positive (based on rewards)
6. Values promoted	Work, conformism	Autonomy, sense of personal significance, free expression, creativity
7. Group/followers' profile	Low-skilled Low committed	Highly skilled Highly committed
8. Attitude towards change	Avoidance, maintains status-quo	Innovates, actively seeks transformation
9. Perspective on risk	Defensive, regards them as threats	Assumes risk as trial and error, opportunities for learning and evolution

**Source:** Preda (2006, pp. 100-101)

We assume that the recent crisis has put achievement orientation under question in many organizations, and that it has probably emphasized the features of the autocratic leadership style even for those leaders who previously exhibited rather democratic behavior. When confronted with time pressure, cost optimization constraints and the stringent need to fulfill drastic performance standards, leaders tend to move away from a democratic, relationship-based approach and resort overtly to autocratic style that is solely task-oriented (Blausten, 2009; Peus *et al.*, 2012).

## 2.2. On authority, decision and authoritarian leadership

Organizational theories usually approach the two concepts separately, i.e. authority and decision. In fact they are systematically intertwined, as we will argue using the theory of J.M. Bochenski (1974; 1992).

The concept of authority had been used in sociological theory before Bochenski. In his essay, ‘Politics as a vocation’ (*apud* Gerth and Wright Mills, 1946), Max Weber discusses three types of authority which rely on three sources: traditional authority (representing power legitimized by respect for long-established cultural patterns), charismatic authority (as power legitimized by extraordinary personal abilities that inspire devotion and obedience) and rational-legal authority (also known as bureaucratic authority, legitimized by legally enacted rules and regulations and prescriptive procedures enacted within organizations).

According to Bochenski, authority is a relationship between a Possessor (P), a Subordinate (S) and a Domain (D): ‘P is an authority for S in the domain of D only if S acknowledges/admits that all assertions of P that belongs to the domain (D) are

true' (Bochenski, 1992, pp. 21-22). 'True' means also genuine, real, correct and honest. 'Assertions' means statements, comments, opinions, but also decisions and actions. The directives could be considered predictions or decisions made by P and believed by S to be valid and true. The validity of decisions made by a leader is a key element for constituting and maintaining his or her authority. The logical process described by Bochenski explains the interdependence between authority and decision-making process in management and also between authority and other concepts such as competence or liberty.

There are two types of abuse or misuse of authority: (i) on the wrong subordinate (S) (e.g. give orders to individuals who are not your subordinates); (ii) on the wrong domain (D) (e.g. you pretend being an authority on a domain you are not). People accept illegitimate authority due to charisma or ideologies, even if they do not believe in leaders' specific statements (Bochenski, 1992).

The same author describes two types of authority. Deontic authority (from Greek language: *deo-mai* means 'I have to') relies on the appointment or selection of a person to occupy a leadership position within the organization. Epistemic authority (drawn etymologically from the Greek 'episteme' that means science and knowledge) reflects the accumulation of knowledge and know-how that the leader can share with co-workers. As an epistemic authority, the leader must gain authority, legitimacy and credibility or capital of trust through the proven validity of his/her statements, comments, opinions, decisions and actions. These should be considered valid and true by S.

P could be appointed and must be accepted as the official leader endowed with deontic authority (more likely associated with politics in the sense of power and influence), but not as a professional, effective leader who has epistemic authority (expertise associated with technocrats). Recommending individuals who lack epistemic authority has a negative backlash on the recommender's own authority on the domain that concerns the recommendation, in the area of morality, or both. This negative transfer of non-authority results in disrepute and discredits the leader as incompetent and/or immoral. In a healthy, non-dictatorial organizational culture, an authoritarian leader is not effective if s/he imposes rules that s/he does not respect him/herself, commits abuse of authority and behaves in a god-like hubris, arbitrarily and unilaterally (Preda, 2006).

### **2.3. National and organizational culture**

The practiced leadership style has a substantial impact on the outlook of organizational culture, understood as collective mental programming, mostly unconscious, that distinguishes the members of one organization – or insiders – from non-members or outsiders (Hofstede, 2001). Cultural distinctiveness underpins organizational personality. In this sense, traditional (conservative and patriarchal) leaders are more reluctant to change (display more uncertainty avoidance predispositions), more collectivist, less masculine (i.e., less competitive, less results-oriented and more caring

on an interpersonal level of cohesion fostering group thinking) and more prone to display power distance by manifesting superiority to other employees (Hofstede *et al.*, 2010). This would correspond to an authoritarian leader profile.

According to Heintz (2005), Romanian employees are under-motivated and disengaged because they regard work as a means to an end, not a purpose in itself. According to this tunnel-vision, only extrinsic motives count, whereas the intrinsic pleasure associated to the process of working is absent. Hence, employees remain inefficient, even if they continue to spend more time working than the EU28 average, with an average of 40 hours in terms of statutory collectively agreed working week (Eurofound, 2014). Therefore, inefficiency relates to presenteeism – the state of being merely physically present, without paying attention to work itself or being genuinely involved. The deficit in leadership-driven coordination and in the integration of individual efforts is emphasized by the fact that staffs fulfill job requirements not by following an articulated work ethic, but rather by using a rationale centered around interpersonal relationships. The strategic need for leadership input to enhance productivity is only acknowledged by a minority of stakeholders: ‘Capitalist work ethic (Western style), for most of my informants, means hard work; for a smaller group, work well done; and for a minority of intellectuals, intelligent organization and management of human forces’ (Heintz, 2005, p. 171). Leaders are meant to show the correct path and set the necessary standards to obey both rationality and integrity demands, thus counter-acting the duplicity, cognitive dissonance and ambivalence between values and practices.

Leadership challenges across troubled times in Romanian public organizations are multi-fold. As findings from 12 Romanian public organizations illustrate (Macarie, Hînțea and Mora, 2011), women leaders are more vulnerable to work-life conflicts fueled by limited spare time because they are expected to devote more time to family and household responsibilities, compared to their male counter-parts. Feminine leadership styles are self-assessed as more supportive, cooperative, analytical, sensitive to the influence of others, risk adverse and resonant with emotional attachment and affiliation needs, whereas men leaders are seen by their female counter-parts as practicing a more directive, result-oriented, synthetic, concise, competitive and emotionally detached leadership style, in consonance with expectations regarding the relatively stereotyped gendered values embedded in organizational culture.

The need to develop leadership in public organizations aiming to make it more participative and less directive is evident in a pilot study conducted in the public healthcare system (county children’s hospital in Cluj) (Hînțea, Mora and Țiclău, 2009). Here, the managing committee distorted empirical findings regarding organizational culture by influencing the data collection procedure to get only obedient volunteers among employees to fill-in the two questionnaires. This excessively authoritarian and paternalistic leadership style had the pragmatic utility to get expressed opinions to converge towards homogeneity and favorability: ‘The leader was rather authoritarian and controlled the way in which the leadership questionnaire was completed by

his direct subordinates so that there will be no differences between his answers and theirs' (Hințea, Mora and Țiclău, 2009, p. 102).

By and large, the above-mentioned references suggest there are specific landmarks of the Romanian organizational culture that embed authoritarian practices which nurture change-resistant dependency towards a paternalistic leadership style that in turn leads to a responsibility gap at lower hierarchical levels.

#### *2.4. Downsizing – leadership-driven decision-making and communication strategies*

The economic downturn that has persisted since 2008 increases the likelihood of leaders being involved in problematic, complex and unpopular decision-making processes. Such actions require the constant practice of integrity, transparency and business ethics in communication inside and across teams, aiming to reconcile productivity objectives with the stakeholders' acceptance of challenging decision outcomes. To this purpose, as empirical findings by Peus *et al.* (2012) and Blausten (2009) indicate, challenges related to the fast-paced dynamics and economic fluctuations in the crisis context influence leadership-based decision-making mechanisms envisioned as change management strategy. The strategic language of human resource managers includes decisional implications typical for personnel budget reduction in times of economic downturn. This trend is subjacent across employed terminology such as: downsizing, reengineering, delayering, resizing or rightsizing, outplacement, de-hiring, payroll adjustment, organizational slimming, outsourcing, subcontracting, compressing, non-retaining, lean management, outplacement or involuntary separation (Pop, 2011). Leaders employ such euphemistic phraseology as a proxy for the more corrosive, socially disturbing intervention of lay-offs.

Downsizing decisions are more likely to occur in the context of market deregulation that bring about a hyper-competitive environment dominated by a race to the bottom (Trif, 2016) – efficiency-driven cost reduction until the level of minimal legal standards that entails a risk of social dumping, employees' poverty and precarious work conditions, in the absence of functional social dialogue institutions.

Downsizing has a different scope and configuration in the public sector compared to the private one, because of several considerations. Firstly, political developments exert more influence on public organizations than on private ones. Moreover, organizational structures and headcount are shaped by budgetary allotments. Thirdly, state-run organizations have limited capacity to regulate their goals and mission to adjust to changing socio-economic demands. Unpopular decision-making is typical for cutback management (Levine, 1978 *apud* Ashman, 2015) and it is harmful for organizational performance because it undermines the survivor employees' core beliefs, dedication, trust, work ethic and perceived value of the institution.

From the perspective of the leader who communicates lay-off decisions, emotional detachment and rigorous compliance with rules and procedures are coping practices needed to maintain objectivity and neutrality, while avoiding role overload and burnout (Gandolfi, 2009). When the leader meets the lay-off victim for the face to face

communication of the redundancy decision, the former's emotional work consists of the anticipation and handling of the proponent's various negative reactions and symptoms of emotional overspill, ranging from anger bursts, fits of aggression, frustration, feeling devalued, low self-esteem, angst, panic, despair, indignation, revolt, disengagement, denial, sadness, crying and other disturbing manifestations. A third-party envoy is used as a messenger because the inherent distress of the moment when the lay-off decision is delivered increases when there is a direct working relationship between the partners involved in this exit discussion.

The differential vulnerability to staffing reduction that affects support services or back-office more than core functions and front-office personnel is emphasized in the case of public organizations more than for private ones (Ashman, 2015; Cooper, Pandey and Campbell Quick, 2012). The leader needs to prove mastery of staff motivation techniques throughout the long-term shadow of side-effects or 'aftershock' consequences following organizational restructuring. The leader's people-driven orientation is put to the test because difficult economic conditions persist and generate disengagement reactions among layoff survivors (employees who remain in the organization) as well (Gandolfi, 2008).

### 3. Methodology

The methodological toolkit is tailored around the main research objective of connecting the crisis context with features of leadership style and problematic decision-making models. Empirical data were collected by means of a structured interview conducted with 219 managers from public and private organizations conducted during three periods: 2009, 2015 and 2016; for all three years, interviews took place during the same months: November-December. Leaders were selected according to availability and accessibility considerations, through convenience sampling. Apart from the sample segmentation on gender and organizational ownership type: private vs. public (wherein information is complete), a limitation of the study consists of the database missing multiple data that should have belonged to the social-demographic profile (i.e., age, organization's sector, location, organizational position level, seniority, level of education and type of specialization).

The interviews lasted on average 30 minutes, they included six sections, focusing on career evolution, leaders' personality, decision, motivation, interpersonal relations within the work team, work-life balance. Answers were collected through face-to-face interviews by students who were trained specifically for this task<sup>1</sup>. A synopsis of the interviewed leaders is shown in the following table.

The number of interviews distributed per year is comparable, public organizations represent a relatively constant ratio of about one third of the yearly total, whereas female leaders constitute from slightly over one third of interviewees in 2009 (36%),

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<sup>1</sup> This was part of an assignment for an Introduction to Management class, Faculty of Sociology and Social Assistance, University of Bucharest.

**Table 2:** Breakdown of empirical findings according to the type of organization, year of interview and manager gender

Classification criteria / No. of cases per year	2009	2015	2016	Totals per row
Public organizations	25	23	23	71
Private organizations	49	50	49	148
Male leaders	47	40	38	125
Female leaders	27	33	34	94
Total number of interviews	74	73	72	219

**Source:** Authors' research

to almost half in 2016 (47%). The timing of the interviews can render an explanatory comparison between a moment close to the crisis onset (2009) and the current situation of consolidation, market maturation and economic resurgence attempts. The parallel approach to different sequences in time can illustrate the connection between the economic crisis life cycle and managerial style coordinates, including decision-making patterns.

## 4. Results

### 4.1. Leadership-based decision-making profile

Challenging managerial decisions have a potential to become unpopular when organizational members perceive them as unfair or inappropriate. This happens especially if they did not participate from the onset of the decision-making process, when selection criteria were laid down and alternative options were explored. When obliged to implement austerity measures, employees generally regard them as inequitable and disconcerting because they imply the demotivating downgrading feeling of a certain organizational aspect or a contractual term or condition.

The most frequently mentioned decisions that were met with skepticism, concern, discontent or rejection implied downgrading intervention or measures that deteriorate a specific workplace aspect, and included:

- Restructuring – removing a division from the organizational chart, a fact which leads to collective lay-offs and severance payments. The restructuring decision is made generally relying on considerations regarding the profit and loss ledgers, whereas severance incurs additional (often exorbitant) costs especially in case of managerial redundancies, with often disappointing return-on-investment (Gandolfi, 2008).
- Individual lay-offs – due to under-performance, conflicts or indiscipline;
- Personnel budget-cuts (e.g., salary decrease, unpaid overtime, cancellation of bonuses or other incentives and benefits, etc.);
- Increased control and expectations from the value creation chain (higher performance standards, more demanding individual or team targets, sharpened supervision of breaks, harsher penalties for being late or taking too many breaks or non-compliance with other regulations or procedures);

- More directive provisions (e.g., reduced work schedule flexibility); and
- Achieving similar or increased team / department / organizational performance with fewer resources: ‘With a small budget and lots of things to do, it’s difficult to draw a list of priorities’ (2009 interview, F, public).

Empirical findings indicate that the managerial decision to reduce excessive headcount wherein staffing costs cannot be legitimized by the profitability or effectiveness of the program or organizational division, generally coined restructuring or downsizing, is easier to adopt when it is accompanied by compensatory measures such as severance or transition compensation packages, incentives for voluntary departure, early retirement schemes, requalification courses and outplacement options wherein the employees made redundant are offered the opportunity to apply for job vacancies within another organization or another subsidiary of the same organization.

After announcing the downsizing decision, the leader is responsible for checking whether the profile of the laid-off employee corresponds to the requirements of a job vacancy inside the same department or another division and the same leader follows-up on the selection process outcome. Leaders often feel ambiguous and ill-of-ease because of unpopular decisions. These are sometimes accompanied by cognitive dissonance, especially in the case of middle managers or line managers (supervisors and team leaders) who have to deliver the bad news even if they were not directly involved in reaching this solution. By and large, taking the restructuring decision seems less emotionally costly than implementing it, and so the breach deepens between the top management responsible for downsizing solutions and the middle managers responsible for adopting it.

Results suggest that a hierarchy of lay-off decisions can be established according to the difficulty and perceived discomfort that they generate. Thus, managers have the most difficult time taking and communicating lay-off decisions in case of collective or individual restructuring (i.e. position cancellation) for valuable employee(s), whereas the same decision is less difficult to take and announce for reasons related to incompetence or incompatibility with job requirements, and least difficult for indiscipline.

Leaders from both public and private organizations have a harder time communicating lay-off decisions when these are not supported by an evidence-based track record of encountered hardship or when such unpopular decisions are taken for organizations that display financial viability. In the latter case, the objective for downsizing relies solely on the declared need to boost organizational performance and counter-act over-staffing. To sum up, leaders argue that downsizing as reactive strategy in the face of recession is viewed as more acceptable in vulnerable organizations than the proactive HR strategy of lay-off for economic rationales related to efficiency optimization and enhanced competitiveness in organizations assessed as successful.

Being included on the black list of downsizing is perceived as more concerning when the employees themselves have no control or influence over the outcome,

which is completely unrelated to their individual involvement or productivity. Women leaders reported more frequently than men emotional burnout associated to notifying subordinates about contract termination, on account of feelings of hostility, anger, guilt, cynicism, mistrust, anguish and bitterness. These affected not only lay-off victims (departing workforce), but also survivors (remaining staff) and downsizers themselves, and consequently led to enduring work climate deterioration.

#### 4.2. Impact of crisis and recession on leadership style

Interviews revealed the crisis impact in terms of cost optimization (also referred to as cost cutting, budget streamlining, compression or reduction) as a recurring preoccupation for both public and private leaders. HR-related costs were the most frequently mentioned targets of leadership-driven intervention (by 75 of the 219 interviewees). As per Table 3, this type of approach was directed towards radical measures or towards more moderate measures. Public-sector leaders refer more often to moderate HRM cost optimization strategies, whereas those who belong to private organizations are more affected by radical HRM downsizing interventions.

**Table 3:** Leadership perspectives about the crisis impact on organizational structure and functioning – reported positive and negative implications (number of references)

	Total number of references	Female leaders	Male leaders	Public sector leaders	Private sector leaders
<b>Positive dimensions of crisis impact</b>					
Work ethic and social attitudes (e.g., reduced staff turnover, constant self-improvement, moderation, sustainable consumption, learning opportunities, more added value, more customer-centric efficiency)	34	15	19	12	22
More risk-taking managerial behavior (e.g., enhanced adaptability, flexibility, innovation, creativity)	31	10	21	7	24
Risk avoidance across organizational behavior enhancing analytical skills, caution, rigor, thoroughness	30	22	8	21	9
Low overall estimated impact	22	10	12	15	7
<b>Negative dimensions of crisis impact</b>					
HR impact – moderate (hiring freeze, internal transfers, no paid overtime, reallocated or reassigned positions within the organizational chart, reduction or total suspension of extra benefits, incentives and facilities such as Christmas bonus, trainings or team-buildings)	65	30	35	42	23
HR impact – radical (salary cuts, collective dismissal, department downsizing, personnel leasing or service outsourcing, technical unemployment or unpaid time off)	59	29	30	20	39
Financial issues (blocked cash flows, payment delays, under-financed investments – e.g., equipment, new technologies)	37	15	12	18	19
Excessive competitiveness (race to the bottom, subcontracting chains, pressure on quality standards)	25	16	9	7	18
Risk of isolation, segregation, deficit in inter-organizational partnership and inter-departmental communication	17	11	6	8	9

Source: Authors' research

The low overall impact of crisis on organizational life is more often mentioned by public sector representatives rather than corporate ones, whereas the threat of excessive competitiveness is more challenging for women than men leaders, and for private versus public stakeholders. Risk adversity as a cultural dimension analyzed by Hofstede is more commonplace in the case of women rather than men, also for public rather than private-sector stakeholders, whereas innovative trends reflect the opposite distribution. Risk avoidance can be associated with autocratic management fostered by anxiety and conservative outlook on the need for constant control of algorithmically structured tasks. Risk-taking is more participative and democratic inasmuch as it embraces heuristic approaches based on lateral thinking, agility, openness and the capacity to bring about change. Public leaders tend to provide more neutral perspectives on the crisis, whereas leaders from private corporations display more polarized views – either radically negative or hopefully open to opportunities and optimistic possibilities. Private stakeholders perceive the crisis upside more often than their public sector counterparts.

There is no consistent gender differentiation when reporting about the positive and negative outcomes of crisis. Beyond the advantages mentioned in the table, interviewees emphasize the positive perspective on crisis as a chance for meritocracy and genuine work ethic to resurface. According to widely held opinions, especially across interviews dating from 2015 and 2016, the on-going crisis has reset standards for all organizational players, it has equalized and democratized access to market opportunities: 'It's like starting afresh, it's a brand new beginning' (2015 interview, M, corporate). Interviewees trace two main milestones of the disadvantageous downshifting pattern within the crisis framework, respectively:

- The race to the bottom: in search of cost efficiency and competitiveness boost, employee satisfaction, quality, safety and customer orientation standards are neglected.
- Sense of uncertainty: 'Things are dragging on from one day to another, everyone's short-sighted, concerned about the future' (2009 interview, F, public).

In a context of uncertainty, job stability, workplace predictability and continuity are re-discovered as core organizational assets of symbolic capital investment. Forced to streamline specific HRM processes within the public areas of administration, education and healthcare, leaders highlight the fact that low salaries and precarious work conditions lead to demotivation, disengagement, lack of interest, pressure and exhaustion ignited by work overload due to recruitment freeze. Consequently, as a backlash of austerity measures, 'employees lose confidence and work engagement' (2015 interview, F, public), thus prejudicing the quality of services delivered to beneficiaries.

From a longitudinal perspective, in 2009 interviewed leaders approached the acute phase of the economic crisis with anxiety and tension, and evoked more risk-embracing coping techniques, whereas they envisioned a short-term impact in terms

of budget cut-backs and surmountable difficulty. In exchange, interviewees from 2015-2016 testify to the chronic stage of crisis and recession, which they faced with detached self-reflection, caution, risk-avoidance tactics (such as more focus on KPI metrics and assessment, improved audit and control procedures for enhanced cost awareness), but also with noticeable familiarity and resignation with the crisis as status-quo and learning experience that is both harmful and necessary: 'We try to comply with higher performance standards and survive the crisis as 'new normality' we've got accustomed to' (2015 interview, M, private).

In a VUCA world (dominated by volatility, uncertainty, complexity, ambiguity), it seems that democratic pluralism and participative decision-making are vulnerable to being replaced by discretionary, mono-voice management. From Hofstede's (2001) framework of analytical criteria, this upward trend for leaders' authoritarianism would mean applying and embedding increased distance from the source of power and risk mitigation tactics driven by uncertainty avoidance. Empirical evidence suggests such authoritarian practices are becoming more widespread lately (i.e., in 2014-2015, compared to the early crisis onset in 2009) and have a higher incidence within public organizations than in private ones. Surprisingly enough, women leaders are more inclined to exhibit authoritarian practices such as unilateral, non-participatory decision-making, possibly on account of a measured decline in organizational performance and considering the threatening deficit of legitimized power that they perceive in the relationship to their subordinates. Running an under-financed, under-staffed department represents a major drawback, no matter how resourceful and insightful the leader. Some interviewees declare that the most desirable type of autonomy would be to choose the ratio between rewards and assigned time, in the sense that they would rather trade a part of income for lower working time budget and decreased responsibilities.

### ***4.3. Identification with preferred role models***

Leaders belonging to private and public organizations provided a comparable number of role model mentions (96 mentions from private leaders, 46 mentions from public leaders), proportionally with their representation in the sample (approximately 1/3 public leaders and 2/3 private ones). The 219 interviewees expressed, as expected, a diversity of views and discursive argumentation practices about their preferred famous leader, who most influenced their choices and career path. Most frequently evoked role models from all fields were: Napoleon Bonaparte (11 mentions), Mihai Viteazul (7), Vlad Țepeș (6), Al. I. Cuza (5), Angela Merkel (gathering 5 mentions – only in 2015 and 2016, when her notoriety grew), Ștefan cel Mare (4). Scarlett O'Hara, the heroine from *Gone with the Wind*, was also quoted 5 times. By and large, the overall distribution of preferred leaders is quite heterogeneous, concerning the clustering of leaders per category illustrated in the following table.

**Table 4:** Romanian vs. foreign role models

Preferred leaders' field of notoriety	Romanian role models – number of references and examples	Foreign role models – number and examples	Total number of references
1. Characters from movies & literature	14 (Ilie Moromete, Vitoria Lipan, Harap Alb, Victor Petrini – <i>The most beloved of earthlings</i> )	49 (e.g., Don Corleone, Mary Poppins, Bobby Ewing, Fowles' magician, Madame Bovary, captain Picard, Alice in Wonderland, J.R. & Bobby Ewing – Dallas, Dr. House, Schindler, Lara Croft, Ivan Karamazov, Jane Eyre)	63
2. Actors – movie stars	16 (e.g., F. Piersic – 3 references, Sergiu Nicolaescu, Amza Pellea, T. Caragiui, G. Dinică)	39 (e.g., Robert de Niro, G. Clooney, Audrey Hepburn – 3 references, A. Jolie, Mel Gibson, Keanu Reeves, Johnny Depp)	55
3. Historical, military and political	22 (Mihai Viteazul, Vlad Ţepeş, Ştefan cel Mare, C. Coposu, I.C. Brătianu, G. Gafencu)	24 (Napoleon, J.F. Kennedy, B. Obama, W. Churchill – each mentioned three times, V. Havel, Caesar, Lincoln, Hannibal)	46
4. Entrepreneurs	1 (I. Ţiriac)	14 (e.g., Bill Gates, Steve Jobs, S. Sandberg, Vera Wang, H. Ford)	15
5. Artists	7 (e.g., Brâncuşi, Maria Tănase, Enescu, Porumbescu)	6 (e.g., Madonna, John Lennon, Edith Piaf)	13
6. Writers	6 (Caragiiale, L. Rebreanu, E. Cioran, P. Ţuţea)	2 (Dan Brown – twice)	8
7. Scientists & technocrats	5 (Ana Aslan – two references, Grigore Antipa, Solomon Marcus, M. Isărescu)	2 (Marie Curie, Janet Yellen)	7
8. Sports celebrities	2 (G. Haği, I. Balaci)	5 (Federer, Maradona, M. Ali)	7
9. Monarchs / royals	2 (Queen Mary, King Carol I)	3 (Lady Di – 2 times, Queen Victoria)	5
<b>Total count</b>	<b>75</b>	<b>144</b>	<b>219</b>

**Source:** Authors' research

Leaders tend to prefer more personally relevant role models, which elicit emotional resonance, than professionally significant individuals or business leaders. The first three categories that generated the most references are: characters from movies and literature, actors, and historical – military – political leaders. Among the first two categories, the number of Romanian actors and characters reaches slightly above a third of references, whereas the distribution between Romanian and foreign role models is more balanced in the case of historical and political, sports, monarchs and artists categories. Somewhat counter-intuitively, only 15 out of 219 references (about 7%) mention entrepreneur leaders, and the only Romanian entrepreneur is Ion Ţiriac, who combines business and sports reputational capital.

Regarding the directive-participative axis, compared to 207 mainstream references on democratic or ambivalent leaders, only a minority of 13 interviewees mentioned authoritarian leaders as inspirational characters. Three mentions were made about dictators – two of Hitler (both containing the disclaimer that his military strategy – *Blitzkrieg* is to be admired), one of Ceauşescu, whereas other autocratic leaders were mentioned: Vlad Ţepeş – six times, Don Corleone (from *the Godfather*) once, J.R. Ewing from *Dallas* was mentioned twice and Vladimir Putin once. As an indicator of globalization, considerably more international role models (gathering two thirds of the total of 144 references) are mentioned compared to national ones. This pattern emerges consistently across seven of the nine categories, except for the

under-represented groups of writers and scientists, where the number of cases is relatively small. The hetero-identification and salient impact of international leaders from various domains on organizational culture reflects the internationalization and globalization trends that Romanian national culture nurtures, as openness and permeability to outward influences.

A higher proportion of women (overall 72%, 79% of women from public organizations and 71% of female interviewees from private organizations) indicate role models, compared to male participants who tend to need less inspirational heroes (representing 53% of the total number of male interviewees – 49% of public and 54% of private organization leaders). Non-responses are also relevant, inasmuch as those who do not mention a role model justify their option by arguments related to each person's uniqueness and non-repeatable distinctiveness, claiming they cannot identify, even partially, with another personality, however strong or famous. This reluctance can be interpreted as self-determination, self-reliance and tendency to avoid adopting and adapting practices from the outside, which can in turn lead to self-sufficient isolation. Leaders who do not find any resemblance or insight in other leaders strive to project and bestow upon themselves an image of powerful, influential (not influenced) and self-made individuals, immune to outward suggestions, orientation which can prove detrimental to their evolution.

#### ***4.4. Upside of leadership deontic authority***

The self-assessed benefits of leadership authority that interviewees most often mention are as follows:

- Status and leverage (with 60 references);
- Financial package (compensation and benefits) (53 references);
- Time schedule flexibility (42 references);
- Opportunities for social networking (39 references);
- Professional achievement (30 references);
- Career development, constant learning and self-improvement (21 references);
- Decision-making autonomy (19 references);
- Boosted self-image, self-efficacy, self-confidence and self-esteem (14 references);
- Knowledge transfer, distributed expertise, involvement in team members selection and training (as coach, mentor or trainer) (11 references); and
- Conceiving and implementing own projects (11 references).

The clustering of these advantages is relatively homogeneous across the organizational sector and the interviewee's gender, except that women leaders mention, more than male counterparts, a sense of professional fulfillment (21 women compared to 9 men) and enhanced self-concept (10 women, 4 men). The broad under-representation of women at leadership levels plausibly explains, by means of social comparison, why these recurring intrinsic motivators are more common for women leaders who feel privileged to hold high-rank appointments. Financial incentives provide the only

consistent differentiator among corporate (with 38 references) and public organization managers (15 references) in terms of advantages.

Detected benefits are mostly connected to deontic authority and extrinsic motivation (traceable in the first four categories of the above enumeration, gathering 194 references), less to epistemic authority and intrinsic motivation (92 references). This can signify that the managerial status is perceived by its holder as circumstantial, transitory or auxiliary for socially constructed self-identity, not as genuine vocation. Less mentioned than extrinsic job characteristics (such as prestige, incentives or networking), identified advantages that concern inner pleasure, passion, personal meaningfulness, intrinsic sense of accomplishment and professional fulfillment testify as to the centrality of leadership careers for self-definition. Other less mentioned advantages refer to: access to essential information, geographic mobility for travelling, task diversity fueling skill versatility. Leaders appreciate the freedom to work on their favorite projects: ‘You get to do what you like, your way. It’s beautiful to make your ideas come to life, to start projects from 0 and carry them through’ (2009 interview, F, corporate). Furthermore, leaders are also satisfied with workplace security, career advancement possibilities, reputational capital and personal branding attributes (visibility, notoriety, popularity, credibility), easy access to sensitive organizational data, the support provided for people development: ‘It’s wonderful to witness my colleagues’ career evolution’ (2016 interview, M, public).

#### 4.5. Downside of leadership deontic authority

The following table illustrates the distribution of opportunity costs that leaders consider incumbent of their appointment.

**Table 5:** Self-assessed setbacks of the leadership formal assignment

Dimensions of perceived disadvantages	Total number of references	Female leaders*	Male leaders*	Public sector leaders*	Private sector leaders*
1. Deficit in free time	148	72%	54%	67%	88%
2. Increased accountability for high-impact decisions	87	32%	45%	36%	38%
3. Negative emotional overspill (stress, frustration, exhaustion), due to emotional labor	69	21%	13%	18%	15%
4. Conflictual overlap with family life	40	15%	12%	11%	16%
5. Excessive workload (including overtime)	31	8%	9%	7%	9%
6. Accountability for team mistakes / failure	26	5%	8%	7%	7%

\* Percentage of total managers from each specific category (i.e., female, male, public, private) who expressed that view.

**Source:** Authors’ research

Collected data reveals that limited time for personal and family pastimes ranks significantly above any other problematic aspect of leadership assignments. It is considerably more emphasized in the case of women than men (possibly because the former category’s family assignments are traditionally more demanding than for men and this traditional gendered distribution of housework and childcare is still persistent

even in the case of highly-skilled professionals), and for private corporations more than public ones – whereas corporate leaders also report more overtime and more conflictual work-life overlapping than their public-sector counterparts. Compared to women, male leaders perceive themselves as more exposed to the high level of responsibility typical for the position. Leaders concerned about accountability for results and procedural compliance specify that they have to deal with risk mitigation, whereas a strategic mistake can affect many stakeholders: ‘A false step can jeopardize everything and everyone involved’ (2009 interview, F, public).

Other symptomatic drawbacks that a smaller proportion of leaders mention relate to disagreeable tasks such as handling customer complaints, employee grievance, team conflicts, disciplinary action, sanctioning. In this respect, team leadership can generate empathy fatigue, since ‘The group’s problems become your own’ (2015 interview, M, corporate). Demanding emotional labor for the participative leadership style implies the self-regulation of feelings to modulate affective display and project a desirable image – always coming across as reliable, trustworthy, professional, caring, involved, available and approachable. This can lead to fatigue and burnout, and women leaders are more aware of running this emotional risk than their male counterparts. The balancing act between regular friendliness and ‘appearing rough and tough’ (2009 Interview, F, public) when reprimanding employees at fault is emotionally demanding.

A few leaders (especially women with public-sector backgrounds) add to the list of setbacks the fact that their authority is questioned and contested by some subordinates, for the particular case of unpopular decisions such as budget cut-backs. Being the target of gossip and rumors, they act upon the perpetual need to prove and re-confirm, re-state their worth. Another reason for complaint regards performing time-consuming, boring bureaucratic tasks like filling monitoring forms, reports that move away from creative approaches and strategic thinking. There are some job features that act contingently and ambivalently, either as advantages or as setbacks. For example, the leader’s office can prove beneficial (as a comfortable workplace, usually customized with own artifacts) but also detrimental (endorsing an unhealthy, sedentary lifestyle because of the lack of time to engage in sport). Another threat about leaders’ time use involves the fact that it implies no closure, but constantly delayed gratification with goal attainment reached by on-going commitment: ‘A manager’s job is never done’ (2009 interview, M, public).

Leaders find it hard to draw the line between free and productive time: ‘Everyone relies on me to get the job done. So I never turn off the lights, never stop thinking about work issues’ (2016 interview, M, corporate). Intrinsic attraction to work content can also hide a trap, as workplace dedication pushed to the level of passion can become obsessive, addictive ‘workaholism’, at the expense of personal and family life. A tense work climate means exposure to contradictions, conflicts, tough negotiations, difficulty in reconciling divergent interests. Leaders rate difficult decisions that they must make as disadvantageous job features. Some of these include recruiting the

most suitable candidates (whereas avoiding false positive – selection of someone who made a good impression, but turned out to be an under-performer and false negative results – i.e., not selecting someone who, if hired, would have performed well), conducting performance appraisals or firing employees with contrasting track records (e.g., long tenure, but under-achievement, or committed but incompetent, or high potential but culturally incompatible).

## 5. Discussion, implications, conclusions

The emphasis on directive, prescriptive leadership practice that requires employee submissiveness can be analyzed through the lens of the crisis and recession context. The proliferation of authoritarian leadership styles based on strict control, discretionary decision-making, routine monitoring, highly structured, algorithmic procedures, unilateral assessment and on-going sanctioning threats has such side-effects as the smothering of subordinates' sense of initiative, empowerment, self-determination, personal accountability and innovation attempts. The recent crisis has changed the context of leadership decision-making and, consequently, according to contingency theory, has reconfigured the leadership style. Forced to make authoritarian decisions (e.g., downsizing, restructuring, budget cuts), either unilaterally or through consultation with higher-rank stakeholders, Romanian leaders display increased elements of authoritarianism in their managerial style.

Findings further suggest that *managerial support can counteract the negative implications of difficult decisions (such as disengagement, work alienation, lack of organizational identification, feelings of hopelessness and helplessness)*. Such support activates *coping strategies focused on flexibility, assertiveness and openness to new experiences* which underlie the employee belief that the organization is committed to their development and professional success, cares for them, values their input and does not remain indifferent when they are confronted with constraints induced by workforce shrinkage. The risk of deterioration for career trajectory can be counteracted by active coping strategies in case of restructuring. By and large, after the cost-cutting decision has been made and implemented to eliminate surplus headcount, the leader plays the important role of *facilitator for supporting attempts at career revival and professional upgrading* by means of development plans, advancement through *upward mobility* with a different employer, or *reorientation by lateral (cross-function) mobility*. Several interviewees point out to the conclusion that *the crisis is internalized and conceptualized more as discursive reality* than a stand-alone emergency or singular shock. Hence, it acts as a *catalyst for change* and a relevant indicator for the extent of globalization and inter-dependency: 'we're all in this together' (2016 interview, M, public).

A recurring concern that interviewees express involves the leadership deficit and the gap of assumed authority, whereas crisis requires from the leader an extensive capacity to mobilize, integrate individual efforts and coordinate inside and outside teams. In this context, the autocratic management style can be deciphered as a reactive coping strategy to the erosion of trust and constantly diminishing employee

commitment, morale and productivity. The legitimization of authoritarianism as an extreme shock-absorber dealing with crisis constraints emerges as a recurring topic across leaders' discourse.

*Adequate support through training and coaching* for the development of interpersonal skills of communication, negotiation and conflict arbitration can provide leaders with the essential survival kit to counter-balance the negative impact of the persistent shadow of the economic crisis and take advantage of its opportunities. Such programs designed for the *development of technical and interpersonal competencies* are necessary for leaders as core contributors inside both public and private organizations. *Time management* and *stress management* are among the most recurring training needs. Hence, the crisis and on-going recession context put pressure on leaders to show a significant contribution by means of their decision-making prerogatives that recast the juggling act between autocratic and democratic managerial styles.

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