

LEADERSHIP AND THE TEAM, VITAL ELEMENTS OF MANAGEMENT IN THE BANKING SYSTEM

**Valentin Stanciu Ph. D Student
University of Craiova
Faculty of Economics and Business Administration
Craiova, Romania**

Abstract: The banking industry is a relevant example of dramatical changes in the last 2 years and we can tell that the leaders who administrated the situation has made a good job.

Ben Bernanke-US Federal Rezerve Chairman, Lloyd Blankfein-Goldman Sachs Chairman are two of the leaders responsible with regaining the trust in the banking system.

Do we have this kind of leaders? Mugur Isarescu, the governor of NBR, acted so that to maintain the same rate of exchange RON per EUR since 2004, not registering any bank failure, creating a national reserve equivalent with all public debt of Romania.

To reveal this potential at the level of the Romanian Banking System, this study include a survey made on 4 banks (BCR, Alpha Bank, Piraeus Bank, Credit Europe Bank) meaning more than 30% market share as assets and 10% as number of banks, with a sample of 9 employees per bank.

JEL classification: G21, M12

Key words: leadership, team, banking, financial and economical crisis

1. INTRODUCTION

Here is the latest formulation, from Goldman's 2009 annual report to shareholders:

“Looking back on 2009, it is impossible to know what would have happened to the financial system absent concerted government action around the world . . . Through aggressive measures ranging from liquidity and funding facilities to direct investment programs, the government arrested the contagious fear that had engulfed the global financial system and averted more acute circumstances. We believe such efforts were absolutely critical to protecting the financial system and ensuring the continued viability of the global economy. Goldman Sachs is grateful for the indispensable role governments played and we recognize that our firm and our shareholders benefitted from it.”

I think that it is more obvious than in normal times that it is necessary to focus on leadership as an activity-the activity of a person mobilizing people to do something. The secretary of US Treasury-Hank Paulson and the chairman of Federal Reserve-Ben Bernanke, through a 2 pages document, proposed to the United States Congress granting a facility of 700 billion dollar to the financial system, to fight with the fear, distrust and panic of the financial markets, during the financial crisis of 2008. Leading

is more likely to produce socially useful outcomes by setting goals that meet needs of both leader and follower [2].

This is the starting point in re researching capacity of the Romanian banking system to create leaders and teams capable to fight with terrible events, as the passed economical and financial crisis.

2. LEADERSHIP

From literary point of view, according to English–Romanian dictionary, the word “leader” is translated in “to manage, direction”. But we should delimitate the two concept of leader and manager; the concept “manager” comes from latin word *manus* or hand; from this word was created *manège*, meaning school of teaching horses, which, some centuries ago, was one of the most appreciated activities of high class people.

The root of word leader is the Anglo-Saxon term “lead”, meaning way, road; accordingly, the leader is the person showing to the others the way. Relationship between leadership and management creates tough debates in the literature [1]. The most difficult and valuable task of leadership may be setting targets and creating strategy that promotes adaptive work. To produce adaptive work, a vision must be anchored in reality; it has to have accuracy, and not simply imagination and appeal. The practice of leadership requires a sense of purpose—the capacity to find the values that make risk-taking meaningful.

Leadership is a function: $L = f(T, B, CA)$, where:

T = features and skills of the leader;

B = behavior of the leader;

CA = capacity of being adaptive to a context.

In the past, scholars put in the first row the features of the leaders, but in fact leadership represents a synergy of all 3 elements.

3. THE TEAM

The leader, the manager of the bank and his work is subject of deep research and debate, theoretical and practical. The persons involved in the management process focus on human potential and propose new solutions, taking into considerations issues unknown or ignored until now. The banks change structures, abandon old hierarchies, search organizational solutions which value creativity and skills of the persons, use more often the team work.

Creation of a team inside the bank starts from the complex needs of competence, required by the actual economical environment, but also from the old human need reflected by Maslow, as important motivator, to be part of a group.

The concept of group and team are not the same. The purpose of creating them, their structure and the way of functioning, allows us to appreciate that all teams are groups, but not all groups are teams.

A group can be considered team only if their members help each other for fulfilling targets of the bank.

It can be concluded that a team is a group whose members influence each other for reaching the target of the bank [3].

4. METHODOLOGY

For making the research, as a method, was used the survey, one the 5 fundamental methods utilized in human-social sciences, through which it can be investigated the empirical universe.

The method is a general way to approach reality, the technics represent concrete forms of methods and the tools is the mean for capturing reality [5].

Briefly, the research was made inside the Romanian banking system, using a sample extracted from 4 commercial banks, representing 33% market share according to the level of total assets and 10% according to the total number of banks, utilising the information provided by the National Bank of Romania (table no. 1):

Table no. 1. Commercial banks selected for researching human resources field

Bank	Total assets 31.12.2007	
	Milions lei	Market share (%)
BCR	59,693.5	23.8
Alpha Bank	12,844.6	5.1
Piraeus Bank	5,995.5	2.4
Credit Europe Bank	4,465.7	1.8

The reasearch was made at the level of an administrative unit, Prahova County, the county with the biggest number of inhabitants in Romania, in order to collect information from the same economical environment.

They were selected central branches of all 4 banks and a sample of 9 employees, representing the average number of employees/ branch (Figure no. 1):

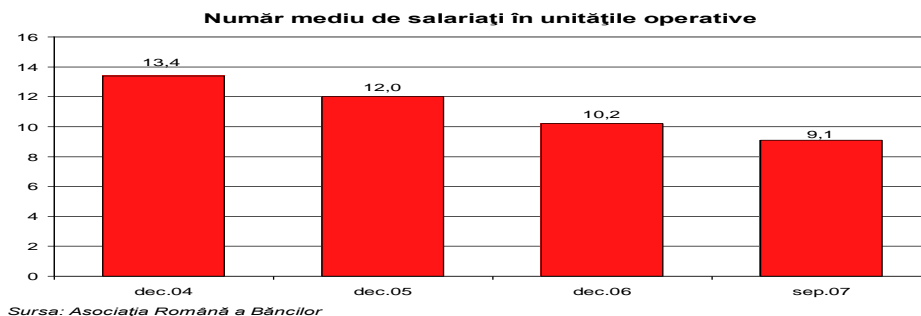


Figure no. 1. Average number of employees in a branch

Taking into consideration that the banks has tough rules and norms regarding human resources activities, generalized and uniforme at the level of every branch, it can be appreciated that the sampling allows obtaining relevant results. The sample included 36

bankers and represents 0,05% of total Romanian bankers. The research was made between August-October 2008, through interviews and questionnaires.

4. ANALYSES

For testing the potential leader of Romanian banker as leader was chosen the questionnaire “Are you a potential leader?” [3].

Enclosed is presented an excerpt, only to present the model and after that to briefly show the conclusions.

To measure your potential leadership in the branch, read the following statements. Encircle for the 11 claims one of the alternatives "agree" or "disagree", as it best describes what you think and/ or frequency of your behavior (table no. 2):

Table no. 2A. Potential leader questionnaire

Agree	<input checked="" type="radio"/> Disagree	1.Effective leaders have native, innate qualities, not acquired.
Agree	<input checked="" type="radio"/> Disagree	2.I have a tendency to behave well with my subordinates, as long as they execute what I told them.
<input checked="" type="radio"/> Agree	Disagree	3.Effective leaders depend on their subordinates as much as they depend on themselves.
<input checked="" type="radio"/> Agree	Disagree	4.As a leader I always explain the reasons for asking subordinates tasks.
Agree	<input checked="" type="radio"/> Disagree	5.A good leader will achieve his objectives at any cost, regardless of cost.
Agree	<input checked="" type="radio"/> Disagree	6.As a group manager I wouldn't assign a vital project to somebody else besides me even if it require additional work.
<input checked="" type="radio"/> Agree	Disagree	7.The secret to exercise in a good leadership is to be consequent in how to lead.
<input checked="" type="radio"/> Agree	Disagree	8.I will recommend subordinates for promotion, to an equal or even superior position of my own, if it is justified.
<input checked="" type="radio"/> Agree	Disagree	9.Some subordinates can participate in decision-making process; it doesn't threaten the position of the leader.
Agree	<input checked="" type="radio"/> Disagree	10.If my group fails to achieve an objective because of a group member, I will express this to my superiors.
Agree	<input checked="" type="radio"/> Disagree	11.I consider myself indispensable to my current position.

Assessment : Grant following scores for the 11 claims, then sum the points of the encircled options (table no. 2B):

Table no. 2B. Potential leader questionnaire-answers page

Statement	Agree	Disagree
1	0	1 <input type="radio"/>
2	0	1 <input type="radio"/>
3	1 <input type="radio"/>	0
4	1 <input type="radio"/>	0
5	0	1 <input type="radio"/>
6	0	1 <input type="radio"/>
7	0 <input type="radio"/>	1
8	1 <input type="radio"/>	0
9	1 <input type="radio"/>	0
10	0	1 <input type="radio"/>
11	0	1 <input type="radio"/>

You will obtain a sum between 0 and 11, which indicates your potential leadership. Is estimated that between : **11 – 9: excellent potential, in this case;**

8 – 6: good potential;

5 – 0: drastic change is needed.

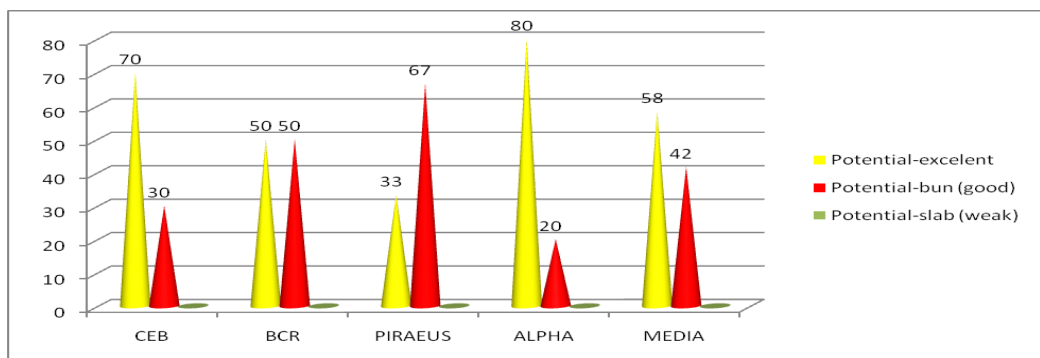


Figure no. 2. Romanian banker leadership potential

The results shows that the average banker has an exceptionally good potential of leader, as an average 58% has extraordinary results, while 42% a good one.

Going further with research, for analyzing the capacity to work as a team member, I used the “Belbin questionnaire self recognition” [4].

Read each statement carefully and distribute a total of 10 points sentences that you feel it’s describe best your behavior. This 10 points can be divided for all the sentences or only some of them. Subscribe allocated points to the right column of each sentence (table no. 3):

TABLE no. 3 A Belbin questionnaire self recognition

I.	My contribution in the team consists in :	Points
a	I quickly realize new opportunities and I take advantage from them.	2
b	I can work well with different types of people.	1
c	I produce ideas easily.	2
d	If I observe that the teammates can contribute with something of value to the group objectives, I can make them to give the best.	1
e	I have a great capacity to concentrate and I work efficiently.	1
f	I’m ready to face the temporary lack of popularity, if it eventually lead to good results.	1
g	I realize immediately what fits and what works in one situation in which I am accustomed.	1
h	I can offer viable alternative solutions, without prejudices, in case of necessity.	1

II.	In activity that I develop in to the team, a deficiency can occur, because:	Points
a	I don’t feel comfortable if meetings are not well structured and generally well controlled.	
b	I incline to be too generous to those who have a solid point of view and that they haven’t been able to exploit it.	
c	I tend to talk too much when discussing new group ideas.	3
d	Because of my objective point of view it is difficult to join immediately with enthusiasm to my colleagues.	
e	If is necessary I can be convincingly and authoritatively for to carry on what is to do.	3
f	For me, a leadership role it’s difficult and this thing is due, perhaps, to the fact that I’m too sensitive to the group atmosphere.	
g	There is the possibility to be too focused on my ideas and so not to be attentive to what happens around me.	3
h	My teammates say that I am to busy with minor details and that I am pessimistic.	1

III.	When I am involved in a project with other people :	Points
a	I can influence peoples without pressing them.	2
b	I am careful to not make mistakes and not be missed anything.	2
c	I am ready to act for make me sure that the meeting isn't a waste of time and that are not forget the main objectives.	2
d	I count myself among those who contribute with something original.	
e	I am ready to support a good initiative for general interest.	2
f	I am eager to find new ideas and events.	1
g	My cool judgment is appreciated by others.	
h	You can count on my organizational skills.	1

IV.	How do I approach the teamwork :	Points
a	I want to know my teammates better.	2
b	I provoke discussion about the views of others and I am not reluctant to have my beliefs, even when I am in a minority.	2
c	I find an argument to reject wrong affirmations.	2
d	One of my skills is to make things work properly, when implement a plan.	
e	I tend to avoid the obvious and I prefer surprises.	
f	I bring a note of perfection of any positions that I have within a team.	
g	I am ready to use the contacts outside the group.	2
h	I'm interested of all points of view and I'm not hesitating to take decisions when it's need.	2

V.	I find satisfaction in a job because :	Points
a	I like to analyze all the situations and to weigh all the possibilities.	2
b	I'm interesting of finding out practice solutions to resolve the problems.	2
c	I like to stimulate o good collaborations.	
d	I can have a big influence concerning decision making.	
e	I can convince the people to agree on an required way to act.	2
f	I can convince the people to agree on some useful things.	
g	I feel good when I can pay full attention of a task.	2
h	I like to find an area that requires my imagination.	2

VI.	If I receive a hard task with a deadline and strangers :	Points
a	Before I develop a plan I am retiring in a corner to find a way to break the deadlock.	
b	I'm ready to work with the person who showed the most interesting no matter how difficult it would be.	2
c	I did find a way to reduce the size of the task by each individual contribution.	2
d	I would follow the deadline and I would ensure it does not exceed.	2
e	I would keep myself calm and ability to think clearly.	1
f	I would keep a calm atmosphere, despite pressure.	1
g	I would be ready to take the lead if the group would not make any progress.	1
h	I would open discussions to stimulate new points of view and put things in motion.	1

VII.	Regarding an issue on teamwork:	Points
a	I'm ready to show impatience with those who oppose progress.	3
b	Others can criticize me that I analyze things too much and I am not enough intuitive.	1
c	I wished to assure me that things are done as I can slow down the progress.	2
d	I get bored pretty quickly and I rely on one or two colleagues who trains me.	2
e	I began working very hard if my target is not well established.	
f	I'm stingy to explain and clarify the ideas that comes to me.	
g	I ask others to do the things that I am not able to make.	2
h	I hesitate to support my point of view when it is fought.	

Register now assigned scores for each statement in the following table. In paragraph 1 write scores that have registered for (d) the first column under the name-worker, scores assigned to (d) as leader and so on (table no. 3 B):

TABLE no. 3 B. Belbin questionnaire self recognition-answers page

Para- graph	Work er		Chair- man		Shaper		Plant		Investi- gator		Monitor		Team- mate		Finisher	
	g	1	d	1	f	1	c	2	a	2	h	1	b	1	c	1
I																
II	a		b		e	3	g	3	c	3	d		f		h	1
III	h	1	a	2	c	2	d		f	1	g		e	2	b	2
IV	d		h	2	b	2	e		g	2	c	2	a	2	f	
V	b	2	f		d		h	2	e	2	a	2	c		g	2
VI	f	1	c	2	g	1	a		h	1	e	1	b	2	d	2
VII	e		g	2	a	3	f		d	2	b	1	h		c	2
Total		5		9		12		7		13		7		7		10

Identify:

a) Your dominant role in the team (highest score) – in this case “Investigator”.

It outlines how you put your team qualities worth.

b) Other types of roles (next score). They indicate what roles you are able to accept in the team, if is necessary – in this case “Shaper”.

c) Last two scores - involving possible weak areas (but remember that your goal is not to reveal any roles given team, even if you are the team leader). In these areas it must be supplemented by another team member – in this case “ Worker”.

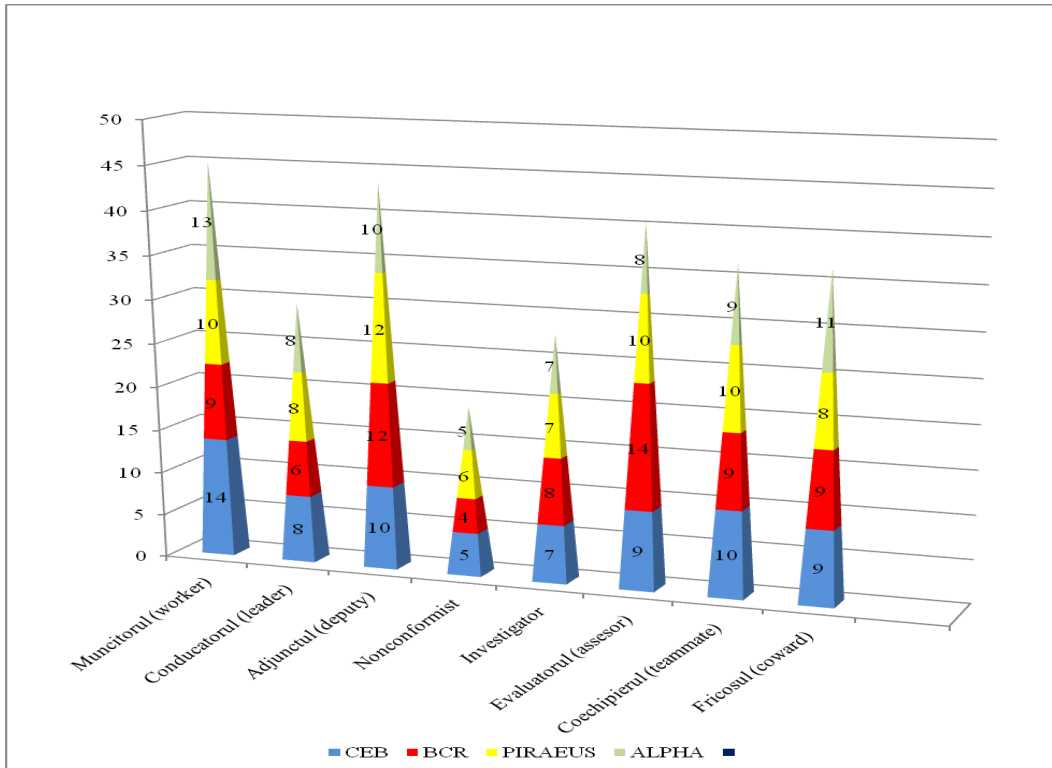


Figure no. 3. Romanian banker profile as team player

The Romanian banker has capacity to work as a team member, putting in practice all roles identified by Belbin and mainly is extraordinary worker, obeying the rules and being extremely stable. He is the practical organizer who transforms de strategies and decisions into tasks so that to be applied. He had a powerful character and he is very disciplined and honest, he has integrity and ambition without easy disarming himself. He needs stable structures and he is vulnerable at volatility. He is efficient, systematic, metodologist, bearing the risk of becoming inflexible on time.

5. CONCLUSIONS

This study is only an excerpt from a deep research regarding Romanian banking worker and the results are encouraging.

The results shows that the banker has an exceptionally good potential of leader, he had capacity to work in a team, putting in practice all roles identified by Belbin and mainly is extraordinary “worker”.

According to the objectives assumed in such an enterprise, I consider only a small first step in researching banking field in Romania, being such a vast and promising domain.

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