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Organizational performance – theoretical and practical approaches; study on students' perceptions

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Abstract. *Organizational performance depends on leaders' mastery to create a cooperative working climate and on their ability to lead a team. Effective results require emotional engagement and empathy from participants in terms of activities performed within a team in order to provide solutions to issues that need to be resolved as professionally as possible. Organizational performance refers to the degree to which the organization, with some informational, financial, and human resources, positions itself effectively on the business market. Individual performance can influence the performance of the entire organization in the short, medium or long term in a positive or negative direction. The main objectives of the study are: 1)defining the firm's performance; 2) presenting leadership characteristics as a managerial and organizational process; 3) analysing the leadership importance on organization performance; 4)presenting the research results regarding students' perceptions on the recognition of organizational performance. The research approach used is a combination of literature review and answers to a questionnaire. Respondents are third year students in the bachelor programme at a Business School from Romania. The research scope is to identify young people's perceptions regarding the recognition of organizational performance. The success factors that contribute to finding the first job after they graduate are also listed. According to respondents' answers, the main characteristics of successful students will be specified, as well as their main priorities and values in life.*

Keywords: students' values, leadership, organizational performance, effectiveness, development.

Introduction

Contemporary society is currently based on knowledge, technology development and globalization, which inevitably contributes to its evolution at a rapid pace. So, in creating learning organizations, the role of the manager and the leader is essential. Organizational success is achieved only by rethinking strategies and systems of values that must represent the bedrock of the decision-making processes. The role of leadership at the level of the organization is highlighted by the fact that the achievement of the organizational objectives takes into account both the efficiency of the entire work team's activity and the leader's abilities. Thus, the role of leadership in contemporary context is highlighted by its necessity for both economic organizations, individuals and the entire world.

The study relies on a quantitative research based on a survey conducted on a sample of 65 persons (students in the third year of bachelor programme at a Business School from Romania). The key question raised at this point is: "What are the students' perceptions regarding the recognition of organizational performance?"

Literature review

Defining firm's performance

In the literature review it is considered that "traditionally most of the managerial performance measures have been based on financial measures of performance" (Eccles, 1991; Nanni et al., 1992; in Mishra and Mohanty, 2014, p.265). Also, it is mentioned that "these measures include return on assets (ROA), return on equity, and return on sales" (Mishra and Mohanty, 2014). In

order to define the firm's performance it is important to mention that "financial indicators reflect the fulfilment of an multionational entreprises's (MNE's) economic goals in financial terms" (Richter et al., 2017). Also, "market-based financial indicators take the investor's view (e.g. cumulative abnormal returns, market-to-book ratio, excess value) and concentrate on or involve risk considerations (…)" (Richter et al., 2017). According to Richter et al. (2017, pp.95-96) all these indicators form "the narrowest conception of business performance", and "the border conceptualization of performance is operational performance". In this context it is necessary to mention the following aspects:

-"operational indicators focus on those key determinants of success that might lead to financial performance" (Venkatraman and Ramanujam, 1986; in Richter et al., 2017, p.96);

-"effectiveness measures include reputation, survival, chievement of goals, performance in relation to competitors, etc." (Hult *et al.*, 2008; Venkatraman and Ramanujam, 1986; in Richter et al., 2017, p.96);

-"operational effectiveness, organizational effectiveness and financial performance (indicators) are interrelated" (Richter et al., 2017, p. 110);

-"organizational effectiveness performance is supposed to be reflected in better financial performance in the medium or long term, because performance improvement is at the heart of strategic management and organization theory" (Venkatraman and Ramanujam, 1986; Ginsberg and Venkatraman, 1985; in Richter et al., 2017, p. 110);

-"financial performance influences organizations and operational and organizational performance" (Richter et al., 2017, p. 110).

Leadership characteristics as a managerial and organizational process

Modern leadership is based on different principles of action that highlight action' directions that lead to performance at both individual and organizational levels. An efficient leader takes decisions based on value requirements, and his/her experience and professionalism can only lead the team to performance.

By creating strategies and appealing to emotions, true leaders mobilize teams to act. "Leaders are formed, not born," research suggesting that leaders gradually acquire skills throughout their life and careers that make them so effective (Goleman, Boyatzis and McKee, 2007).

In his work Goleman presents a new class of leaders who lead by human relations. Emotional intelligence is at the heart of an organization's leadership towards success, and the four parameters of a leader's emotional intelligence are presented in literature as: self-knowledge, self-mastery, social consciousness, and relationship management (Horga, 2012).

In today's theories of leadership, alongside the concept of "emotional intelligence", that of "social intelligence" occupies an important place. There are seven dimensions of social intelligence mentioned in literature (Horga, 2012): empathy, attention to collaborators' states, awareness of organizational culture, influence on others, development and coaching of collaborators, inspiring the team, team work.

"Charismatic leadership" has a special place in the literature in the field. Charisma is defined as "the process that influences major changes in the attitudes of the organization's members and builds loyalty to the organization's goals" (Horga, 2012). Also, characteristics that are supposedly not equally developed for all charismatic leaders, are presented in literature (Lussier and Achua, 2001; in Horga, 2012, pp.71-72): visionary - charismatic leaders have the

ability to formulate an idealized vision of the future, so they have the ability to draw hypothetical situations but also ways to solve the problems that may arise; exceptional communication abilities - through clear communication of ideas and goals, charismatic leaders convince members of the organization to follow them; self-confidence and moral conviction - charismatic leaders are authentic, persevering, and have a moral conviction based on principles; the ability to inspire confidence - trust in charismatic leadership is influenced by their integrity, but also by how they show understanding of followers (once trust has been established, a solid mutual relationship is created between leader and executor); risk orientation - when a direction has to be established, charismatic leaders do not cease to take personal risks, while at the same time displaying increased availability; energy and action orientation - charismatic leaders communicate very much through their non-verbal behaviour (they have a non-verbal expression, a pleasant tone of voice, they establish visual contact with the interlocutor); the foundation of power - charismatic leadership involves "a relationship or interaction between leader and executor" and is "strongly related and based almost entirely on the reference power and the strength of the high professional training"; empowering others - "charismatic leaders empower their executors by giving them responsibility". In this context, charismatic dimension of the transformational leader is characterized by "providing vision and a sense of mission, instilling pride in the among group, and gaining respect and trust", inspirational motivation, intellectual stimulation and individual consideration (Humphreys, 2002).

In the literature review it is mentioned that "a relationship between an emotionally expressive communication style, characterized by eye contact, facial expressiveness, effective gestures, and vocal variety, and follower perceptions of visionary leadership, charisma, and leadership effectiveness" (Groves, 2006). That makes use of all the three fields of knowledge: rational, emotional, and spiritual, and the importance of organizational knowledge dynamics (Bratianu et al., 2011; Bratianu & Bejinaru, 2019).

Two kinds of leadership are presented in literature review: a. transactional leadership - it represents "a common exchange action based on a contractual relationship and the satisfaction of one's own interests" (Kets de Vries, 2007); it is important to note that transactional leaders are efficient managers (Horga, 2012); b. transformational leadership - "useful to change, it communicates a vision of what a new organization would look like, it informs its executors about the problems of the current system and makes them get involved"; they are charismatic leaders with a certain vision of the future, they awaken the excitement of executors (Horga, 2012). Transformational leaders: are visionary, take risks, guide themselves by a set of essential values, possess exceptional cognitive capacities, they believe in people, are flexible, learn from experience (Horga, 2012).

In literature review is considered that "transactional leaders help followers identify what must be done to accomplish desired goals", while "transformational leadership (…) is concerned with engaging the hearts and minds of others" (McMurray, Pirola-Merlo, Sarros and Islam, 2010).

Leadership importance on the organization performance

Achieving organizational performance depends largely on how an organization adapts to changes in the external environment. In literature, performance refers to "the degree to which an organization, as a social system, with certain resources and means, achieves its objectives (Tannenbaum and Shimdt, 2009; in Horga, 2012, p.24).

Every organization wishes to develop continuously, and it is important to note that organizational performance is correlated with the individual performance of the members of the team working at the organization level.

Achieving success requires three aspects, namely (Horga, 2012):

-economic efficiency: any organization wishes to achieve its goals with few resources;

-satisfaction of customers: getting superior results with few resources, but in a way that exceeds consumer's expectations;

-satisfaction of employees: the effectiveness of the leadership process depends on the leader's ability to enthusiastically lead the working team by meeting the personal needs of each member of the team.

Literature review mentions that "leadership creates a link between individual performance and organizational efficiency" (Horga, 2012). In this context, particular importance should be given to the leadership style adopted by leaders, because the achievement of goals that lead the whole team to performance depends on the way it is exercised. Efficient leaders need to create a favourable internal environment to facilitate the achievement of organizational goals. It is important not to forget the role of the client in this approach. Thus, a satisfied customer is a customer whose expectations were met.

The relationship leadership - the performance of the organization is increasingly evident, the leader influencing the performance of the organization in many ways, hence he/she (Horga, 2012):

- ensures that efforts are made to achieve the proposed objectives;

-coordinates employees' efforts, building on his/her own experience, not necessarily on formal procedures, to achieve the goals;

- Enthusiastically motivates employees to achieve the results.

Performance levels include cultivating a pleasant work environment, positive relationships and communication within organizations, and highlighting a positive sense of work (Horga, 2012).

A work atmosphere where positive emotions predominate and where compassion and gratitude are encouraged can only lead to the smooth running of the work of team members. Also, creating positive relationships by engaging the leader on human relationships but also cultivating a positive sense of work at the organizational level, emphasizing that the work of the entire team leads to organizational performance. However, a positive leadership communication encourages the team, while supporting constructive feedback (Horga, 2012).

Over time, leadership has manifested itself day by day, and has exercised its influence on several levels, namely: at the level of the individual and that of the organization; at the individual level, attention focuses on the individual leader and the relationships he / she builds with individual followers. Thus, a leader and a follower influence each other over time, leadership being considered as the process of mutual influence between a leader and his followers (Horga, 2012).

At present, the leader is the "key" to success for any organization that achieves its goals efficiently and solves its problems in a creative way.

At the organizational level, leadership analysis consists of specifying the role of the leader within the teams that are formed within an organization.

Methodology

According to the key question the objectives of the research are:
O_1: Identify success factors that contribute to finding the first job.
O_2: Identify the main characteristics of the successful student.
O_3: Identify the main characteristics of the successful leader.
O_4: Identify the students' points of view regarding whether the firm's performance matters for them.

The questionnaire was completed during the seminars meeting in the first semester, on December 2019.

At the first question students were asked, based on the Likert scale, to state their opinion regarding five characteristics that they take into account when they make a decision to apply for a job. These characteristics are the following: 1. company image; 2. organizational performance; 3.in which positions/ jobs were employed the graduates of higher study; 4. opportunities for further training; 5. salary level.

At the second question, using the method of ranking, respondents were asked to indicate the order of importance (place I, II, III and IV) of four items that they could take into consideration when thinking about choosing their job.

At question no. 3 respondents were asked to express their appreciation, based on Likert scale, regarding ten statements related to organizational performance. The statements are as follows: statement no. 1: "The organizational performance is obtained according to the achievement of the proposed objectives "; statement no. 2: "Organizations must create and provide value in order to achieve the expected performance "; statement no. 3: "Management skills are reflected in the overall performance of the company "; statement no. 4: "Being successful means being responsible and competitive "; statement no. 5: "Performance is achieved in time, in terms of efficiency and effectiveness "; statement no. 6: "The performance of the organization is influenced by the leader's behaviour "; statement no. 7: <<Employers aim to hire young people with a high degree of flexibility and a desire for continuous improvement "; statement no. 8: "The ability to relate is a trait appreciated by employers "; statement no. 9: "The ability to come up with solutions is a valued feature on the labour market "; statement no. 10: " The ability to come up with new ideas is a feature appreciated by employers ".

At question no. 4 respondents were asked to indicate three qualities of a successful student and of a successful leader.

At question no. 5 respondents were asked to mention the success factors that contribute to finding the first job.

Question no. 6 was a closed question where respondents were asked if the performance of the companies matters to them. 16 respondents answered negative (that is 24,61 %), and were asked to move to question no. 8 from the questionnaire, and 49 respondents answered yes (that is 75,38 %), being asked to go to question no.7 (What matters? As a client, employee etc.).

At question no. 8 respondents were asked to mention their priorities in life.

Results and discussions

The results obtained from the data processing are presented below.

Thus, at the first question in the questionnaire, after performing the calculations, the score obtained by each characteristic is presented in table number 1.

It can be noted that, the highest score is obtained by the fourth characteristic (“ Opportunities for further training “), and the lowest score is obtained by the third characteristic (“ In which positions / jobs were graduates of higher study “). Thus, respondents attribute the utmost importance to the opportunities for continuous training, this emphasizing that the employing company must offer future employees visible opportunities for continuous training. Also, regarding the positions / jobs where graduates of higher education were employed, it can be mentioned that, respondents do not attach significant importance to this aspect, more important for them being the organizational performance or the image of the company.

Table no. 1 - Characteristics that are taken into account when students make the decision to apply for a job

Characteristics that are taken into account when students' make decision to apply for a job	Score
1. Company image	1,26
2. Organizational performance	1,3
3. In which positions/ jobs were employed the graduates of higher study	0,86
4. Opportunities for further training	1,56
5. Salary level	1,5

Source: Authors’ own research

At the second question in the questionnaire, according to the method of ranking, the respondents' options regarding the attribute hierarchy were considered as it follows: 1st place with 4 points, 2nd place with 3 points, 3rd place with 2 points, 4th place with 1 point. Following the calculations, the scores presented in table number no. 2 were obtained.

Table no.2 – The importance attributed to the four elements in the decision to apply for a job

Elements	Score
1. Professional development	3,52
2. Acquiring new skills	2,67
3. Promoting team spirit	1,5
4. A relaxing work environment	2,21

Source: Authors’ own research

According to the information presented in the table above, it is observed that the first place is obtained by "professional development", which means that respondents are primarily interested in the opportunities of professional development offered by the employer. The second place is assigned to “acquisition of new skills “, the third place is assigned to a «relaxing working environment”, and the fourth place is assigned to the “promotion of team spirit”.

At the next question in the questionnaire, following the calculations, based on Likert's scale, the scores obtained by each of the ten statements regarding the organizational performance are presented in the *Table no. 3*.

Table no. 3 – Scores obtained for each statement regarding the organizational performance

Statements	Score
1	1,16
2	1,41
3	1,2
4	1,13
5	1,29
6	1,04
7	0,83
8	1,1
9	1,33
10	1,35

Source: Authors' own research

As can be seen in table number 3, the highest score is obtained by the statement no. 2 ("Organizations must create and provide value in order to achieve the expected performance"), and the lowest score is obtained by statement no. 7 ("Employers aim to hire young people with a high degree of flexibility and a desire for continuous improvement"). However, analysing all the scores, one can see that there are no significant differences between the scores obtained by statements no. 1, 2, 3, 4, 5, 6, 8, 9 and 10. This can highlight the fact that all the statements, except statement no. 7, which obtained a score of 0.83, are positively appreciated, in total agreement or agreement, in terms of organizational performance.

The next question highlighted key features that could, in future research, underline a profile of a successful student as well as a successful leader. Among the characteristics mentioned for a successful student were the following: punctuality, competitiveness, flexibility, enthusiasm, adaptability, perseverance, seriousness, ambition, conscientiousness, cleverness, diplomacy. Also, among the characteristics mentioned for a successful leader the following were highlighted: punctuality, responsibility, competitiveness, innovation, experience, intelligence, ambition, empathy, fairness, answerability, loyalty.

The answers to question number 5 are interesting, the most eloquent being the following: "In my opinion, the first job makes one more mature so we should choose the first job according to what we like in order to be motivated."; "(…) desire for knowledge, gradual learning and a lot of motivation"; "the skills that recommend the one who is looking for a job"; "the ability to become a part of the team and to perform"; "In my opinion, success factors in finding the first job are our desire to learn and evolve in a certain field but also the confidence we have in our own forces because we have to be confident that we can excel in whatever we set forth to do"; "perseverance, careful research, rigorous selection of positions"; "mood"; "skills acquired, experience that can be gained through involvement in volunteering activities"; "I think passion is the success factor in finding the first job. As long as you work for pleasure you will surely have satisfaction in working"; "professional development, experience gained, professionalism"; "attention, responsibility, punctuality, level of training".

At the next question, the following answers were highlighted: "What matters for me is the company's performance because according to this I can tell how much I can evolve as an

employee in the respective company and as a client I can see the quality of the services offered"; "When a company achieves organizational performance, the benefits as a customer surely increase (many discounts, assorted diversity), and as an employee you can get an advantageous salary, the chances of promotion being high"; "The higher the performance of the company, the more satisfied the customers"; "As a customer, the performance of the companies matters in the light of the fact that this aspect can increase confidence in the company and in the products / services offered by it. As an employee, the performance of the company can ensure safety in maintaining a stable job and it can also determine him to go out of his way to demonstrate his importance within the organization"; "As an employee what matters is: the advancement opportunities offered by the company, the ability of the company to stimulate the employees to achieve performance. As a client: properly rendering services, honouring long-term orders, client-employee-company relationship, fidelity"; "As an employee, the performance of the company reflects the performance of the employees, which is why it is important to me because I want to work in a performing company, with high-performing employees".

At the last question in the questionnaire, the following answers were highlighted: <<personal development>>, "career, family, social responsibility", <<personal happiness>>, "career, family, hobbies and passions", "to do what I like", "to be financially independent", "I currently wish to complete my degree studies, to be admitted to the master's degree program, to get hired, then to buy a home", "to complete my studies and develop a business", "to find my vocation", "to acquire new skills doing what I love", <<family, health, happiness", "to become a successful person", "to have a peaceful life ", "to achieve happiness by living each moment in a relevant way ".

Conclusion

The process of improving organizational managerial activity also drives the organization to success and performance. The organization faces numerous challenges from the external environment, leading to a large process of organization that requires continuous training to achieve the proposed goal. Thus, the role of the leader in conducting the activity that must start within the organization is essential for the achievement of the ultimate goal of any economic activity, the profit. Also, in this case the comparison between leadership and performance forms such as customer satisfaction, employer satisfaction and financial performance are very important. In this study that combine the literature review with the results of a marketing research were mention few important aspects regarding the student's perception on the recognition of the organizational performance. According to few statement presented in the study regarding the organizational performance it can be conclude that: the organizational performance is obtained according to the achievement of the proposed objectives (statement no.1); organizations must create and provide value in order to achieve the expected performance (statement no. 2); management skills are reflected in the overall performance of the company (statement no. 3); being successful means being responsible and competitive (statement no. 4); performance is achieved in time, in terms of efficiency and effectiveness (statement no. 5); the performance of the organization is influenced by the leader's behaviour (statement no. 6); the ability to relate is a trait appreciated by employers (statement no. 8). The present paper is not aim to provide exhaustive comments but to bring to the attention of specialists in the field concepts that should not be left out of any specialized approach. In the introduction, the role of leadership was explained in a contemporary context, followed by a review of specialized literature aimed at

define the concept of "organizational performance", as well as the analysis of the importance of leadership at the organizational and individual levels, outline a broad picture of this essential concept, leadership. The results of the research put into evidence aspects that never should not be neglected because the perception of young people as future specialists in the field is important to take into account in order to be prepared as a firm to face the future challenges. Also, this study has potential for further research as it can be designed the profile of the successful leader and also of the successful student.

Modern leadership is based on defined principles of action that highlight action directions that lead to performance at both individual and organizational levels. An efficient leader takes decisions based on value requirements, and his/her experience and professionalism can only lead the team to performance. So, the "most of learning comes from experience," and the contribution of talented people contributes to organizational success because "people are the most important asset of the organization" (Mayo, 2014). In this context, what is important to do? Well … "Do not focus on the knowledge. Instead, pay attention to improving the context in which knowledge is created, shared and applied" (Sveiby, 2007).

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