

Leadership in the inter-war period

Case Study: Nicolae Malaxa

„It was the man and the engineer who had the boldness, skill and patriotic feeling to show the world the industrial vocation of the Romanians, who foreigners considered them only ploughmen and shepherds.“

Former collaborator of Nicolae Malaxa

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Abstract: *The interwar period was called the Golden Age of Romania. From a certain point of view it was. Cultural effervescence of the time, the economic boom due by the development of the industry has brought Romania to the attention of Western Europe.*

Many industries in the late '30 had advanced enough to be able to satisfy almost all domestic needs. Regarding technology, most romanian plants were behind those in the West. In heavy industry, only Malaxa and the Steelworks Resita were the best in Western Europe.

In retrospect of these events I have considered appropriate to study this issue closely, to be fascinated by a controversial but destined to lead character, a character that has go down in history because of his pioneering leadership actions.

Key words: leadership, interwar period, Malaxa plants, economic development, entrepreneur

In the book "The Frontiers of Management" (1986), Peter Drucker says that leadership means "vision to bring people to a higher level, to increase their performance to a higher standard" and Ordway Tead defines leadership as "the art of influencing people to enable them to participate in the realization of a goal that arrive to consider it desirable".

Nicholas Malaxa was a true leader. Leader in the economic development of the country, one of the leading businessmen of the time, a leader of the industry as a pioneer - the beginning of a "phenomenon", as many have said of everything that Nicolae Malaxa designed, a leading in politics and a leader in relation to his workers.

Nicolae Malaxa romanian engineer and entrepreneur, was one of the most important industrialists in interwar period from Romania, but also a controversial figure because of his political sympathies. Evolution of the Malaxa plants was the most spectacular economic and technological phenomenon in Romania at that time, in less than 20 years, the workshop became an industrial giant, but a very important pillar for the entire Romanian economy in the interwar period.

Nicolae Malaxa had all the qualities to be a good leader. He managed to create a vision and also urged the workers to aspire to that vision. To translate the vision into reality, Nicolae Malaxa appealed to different means to motivate employees and to target systems and processes to increase production. This, offered higher salaries than other factories, social and health assistance, work equipment and lunch services.

Malaxa Nicolae was born in 1884 into a family of Greeks came to Moldova in the early nineteenth century. With the family support,

young Nicolae makes his complete studies in Iasi, and then go to Germany, where he turns back with the engineering degree. Ambitious and with entrepreneurial qualities, Nicolae has the courage to make significant investments in the Romanian industry.

Immediately after World War I, Nicolae Malaxa senses what we now call a "niche" profile: production of rolling stock in a country with incomplete infrastructure and, above all, badly damaged by war.

In this context, he obtained a modest land near the capital, where in August 3, 1921 establish a workshop for the manufacture rolling stock, locomotives and cars for repair.

The primary basis of the workshop was small iron foundry - area in which he had specialized - designed controls for the brake blocks railways. It was the time when Romania was not producing quality iron and ordering this blocks often mean stagnation of the transport abroad.

This manufactory offered Malaxa operative receipt of the orders and prompt delivery of the blocks from railway at a price worth accepted, not to block transport.

Railways escape of the heavy import obsession, understood that Nicolae Malaxa is the solution for transport continuity and Malaxa long understood that nothing makes you more prosperous business than ensuring a steady customer and payer, as is the state.

The collaboration was perfect and the coloboration was sealed with a mutual trust relationship. On this basis, he gets a field near the railway station Titan during 1923-1927 were he builds a factory of rolling stock, line railway tracks and he ends an agreement to not only repair, but also for the production of locomotives of Romanian design.

Based on the contract, he received an important advance in the railways, and loans

from several banks. It was enough to equip the plant with 82 machine tools bought in Germany and Malaxa to become the most powerful rolling mill in Europe at that time.

Further, he hired 180 skilled German workers to begin work manufacturing locomotives, and that German workers begin training the Romanian workers who were to take place.

In 1928, the first steam locomotive made in Malaxa manufactory was delivered to railroad, and in 1931 had began the manufacturing of the railcars Diesel traction - a European rarity at that time.

In 1933, during the european crisis, Malaxa Plants were delivering locomotive no. 100. Press, shows that 151 001 series locomotives of Romanian design were among the strongest in Europe and experienced a resounding commercial success at the International Fair in Milan in 1940.

Since 1930, Romania has never imported any locomotive, all made from Malaxa plants, or those in Resita.

Due to his entrepreneurial spirit, Nicholas Malaxa builds and other factories: factory seamless steel pipe (current plant Republic), applying for the first time in the continent the american rolling process "Stiefel".

Between 1937-1938, Malaxa built the factory of ammunition and artillery weapons in the factory rolling stock. Malaxa produced on the basis of a general national defense plan artillery ammunition, weapons and tanks designed after Romanian conception.

In only 12 years (1928-1939) Malaxa Plants evolved from a rolling repair shop to the size of a first class industrial concern in Europe. The plant organized by Malaxa after his own plans, was designed so that could

quickly change the industrial production series, thus achieving production capacity of industrial equipment, machinery for the chemical, oil and others.

Malaxa initiated and implemented in Romania industry: rolling stock switchgear (1939-1943), diesel engines (1935) Mechanical transmission units, including control systems (1936-1937) seamless steel tubes (in 1937 after procedure Stiefel) Diesel locomotives for CFR (1938) optical equipment (1938).

In 1937 in Belgrade and then in 1940 in Milan, Nicholas Malaxa present this latest Romanian railcar types, competitive in Europe, although the industry had been established only in 1934.

In 1945, it was made in Resita a Romanian car Malaxa named by Romanian industrialist Nicolae Malaxa factories, whose name it bears. It was designed by engineer Peter Carp and was equipped with a three-cylinder radial engine, air cooled, 30 hp which reached 120 km / hour, with six passengers at a rate of 11 liters per 100 km. A beautiful performance, considering the age and country roads.

The body of the car was mounted on the chassis with rubber buffers of 10 cm thick, which gave him comfort unmatched by other manufacturers in motion. There were about 800 cars per year, between 1945 and 1947.

The sudden end of this car was in Sofia, Bulgaria in December 1947 when a former military political commissar, second, under the command of the first politruk, Nikita Khrushchev (1894-1971) from the Ukrainian front, both under General Malinovsky Radion, (1898-1967) was commissioned to form policy frameworks Bulgarian Army. The name of Major General was Leonid Brezhnev (1906-1982) accompanied by Colonel Vladimir Semiciastnii (1924-2001).

Bulgarian General Stoico Blagoev (1921 - 2000) led the Soviet senior guests with a car Malaxa 1946. General Brezhnev was so impressed by that car that he called Kremlin on the phone and asked to move plant from Resita Malaxa to Podgorye the Urals. So Malaxa car died.

Also, Malaxa was shareholder of the plants Astra Arad, Satu Mare Unio, IOR Bucharest (Romanian Optics Industry) Iron Works and areas of Resita (UDR). In the late '30s, the concern Malaxa belonged, among others, the current plant Faur, factories Republic, United Tohan Zarnesti and blacksmith shops Galați.

Also Nicolae Malaxa demonstrate their leadership qualities and takes care of the social problems of the workers, giving them higher salaries than other factories, social assistance, health assistance, work equipment and lunch services. The construction Malaxa, took as associate the architect Horia Creanga so the plants constructed after Malaxa indications is an important contribution to the application of modern architecture in the construction industry.

Nicholas Malaxa a controversial person at the time

Also Nicole Malaxa was a good diplomat and he knew that he had to attract collaborators as strong as him, being one of the laws of leadership - Law magnetism.

It is said that Nicholas Malaxa has enriched through Government support in the form of loans and state orders. Through fact that the Government grant credit, advance capital them and then buy them requested output, ensuring its substantial profits. It seems that all these state orders were due the

good relations Malaxa had with the Royal Household, particularly with Charles II.

To illustrate these relationships I am relating a story which has the main character Maxala, Auschnitt and Carol the II.

The two - Malaxa and Auschnitt - have proposed to co-interest Carol, giving it a substantial amount of money. Operation seemed risky as its predecessors - Carol I and Ferdinand - were famous for their accuracy and rigidity in matters of business, so no one dared to bribe.

Auschnitt and Malaxa have "tried their luck" in June 1931, when was the first anniversary of the "restoration". The day before the anniversary, June 7th, they presented the palace to congratulate the sovereign, then sat on his desk a massive bag: "Your Majesty, heavy industry is deeply grateful to you for everything you have done and pray you receive this hundred million lei, as a modest contribution to social works of the Palace ". Charles II not only refused the gift, but thanked him and even decorated for their role in national economic development. Since that time, the gifts have become established, especially birthdays, when Carol and Elena Lupescu (Duduia) receive jewelry, automobiles, paintings, historical documents, horses, stables, cottages etc.

Nicolae Malaxa was a sympathizer of the Legionary movement and financier of most political parties, including the Iron Guard and Romanian Communist Party. His friendship with philosopher Nae Ionescu assured relations in the Legion, and the proximity of German political circles. Malaxa puts Nae Ionescu to negotiate iron imports, a transaction completed on favorable terms for Romanian industrialist, for which he paid the house from Baneasa to the philosopher.

During the Second World War, more precisely in 1941, Malaxa is accused of collaborating with the Legionnaires and therefore

they seized factories. Later, with the coming to the power of the communist regime, Malaxa gain favors and sympathy of the Communists because he had been persecuted by the Antonescu regime.

At the industrial nationalization since 1948, have been taken by the state and the rest of the property, plants Malaxa, being re-named "August 23 plants" that communists have turned into a symbol of the workers' struggle against the exploiters. The communist government keeps him as specialist consultant, and in 1948, with the participation of a trade delegation to Vienna, he emigrated to the U.S. and settle in New York. So he knew how to act when opportunity appeared. He had the intelligence and flair to anticipate times when he had to make a decision. He knew that to lead is as important as knowing what to do and where to get.

Malaxa was sentenced to death by the regime for war crimes, as wartime production of weapons was found in favor of fighting against the USSR, and also accused of cooperation with the Legionnaires.

Nicolae Malaxa requires permanent residence in the United States, and in 1948, the future U.S. President, in that time Republican senator, Richard Nixon, tried to introduce a bill in Congress that would enable him to obtain the right to reside in the U.S., but Congress opposes. But shortly obtain U.S. citizenship and begin to develop new business, but without having success before the war. After learning of its past policy, the U.S. will try to expel, but in vain, mixer died in 1965 in New Jersey.

Conclusions:

Some qualities that a great leader must possess are:

- Be able to think creatively to provide a vision for the company and solve problems;
- Be calm under pressure and make clear decisions;
- Have the desire to achieve great things;
- Be well informed and have knowledge about things related to your business.

These qualities were possessed also by Nicolae Malaxa. Nicolae Malaxa managed to impose his new and innovative style at a time when the economy is focused on agriculture, he managed to put bases on modernizing the Romanian economy by its innovative style.

His style was characterized as democratic but with authoritarian style influences.

Thus, Nicolae Malaxa trust his employees and motivate them based on their level of involvement. Nicolae Malaxa communicate directly without detours and always said what he thought. It also gave attention to the social needs of its employees and was interested if employees were happy in that environment.

Regarding the authoritative part, Nicolae Malaxa take the most important decisions and work closely controlling employees.

Like the type of manager, Nicolae Malaxa fits the style maximalist aimed mainly on tasks. On this line, he adapt every situation being a good collaborator both those in power and with other business people of the time. Business climate he would prefer was the demanding, sometimes harsh one.

Due to his entrepreneurial spirit and leadership qualities, Nicolae Malaxa will become a symbol of the interwar period, a figure of modern industrialism in an era in which population growth could be absorbed by industry.

Nicolae Malaxa offered a new vision of the modalities on economic growth, he brought new knowledge to build a new era in Romanian industry.

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