Leadership in a Romanian Franchise Organization

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Abstract: The paper describes the concept of leadership and its influence on franchise organisations perfomance.

In the speciality literature, a number of studies have been written and are still written today, which show the necessity of redefining the notion of manager regarding the elements that define the leader within the organization.

Over time, a series of analyzes have been put in place to determine whether a person has a leadership role following a development process or whether leadership skills are skills with which a person is born with.

The concept of an efficient manager should not be confused with the concept of leader because in the case of the first concept, the attribute used to achieve the results remains the authority with which the manager is established, an attribute that the leader does not have.

Leaders builds morale and improves satisfaction, by building and developing in employee's confidence and by creating a warm and positive environment.

We can observe without a doubt that successful organizations need leaders at all levels.

Fun Science Romania, an international entertainment and education franchise initiated in Romania since 2005, understood the significant role of leadership especially during the financial crises of 2008.

Finding the best leaders according the specific of the activity and the specific of the organization is a real challenge.

Keywords:leadership, manager, organization, leader,communicate, franchise, financial crises.

INTRODUCTION

Leadership is a process by which an executive can direct, guide and influence the behavior and work of others towards accomplishment of specific goals in a given situation. Leadership is the ability of a manager to induce the subordinates to work with confidence and zeal.Leadership is the potential to influence behavior of others. It is also defined as the capacity to influence a group towards the realization of a goal. Leaders are required to develop future visions, and to motivate the organizational members to want to achieve the visions.

According to Keith Davis, "Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together and motivates it towards goals."

Organizations are structures in which a certain number of people with precisely defined functions perform activities in order to achieve concrete objectives. At franchise organizations level here are some people who provide the function or functions of coordinating their activities or managing them. The need for effective administration is a reality within any organization, regardless of its type or size. People who hold coordinating positions within organizations do not always fit into what we understand through the leader. To be able to discuss this, we need to refer to leadership.

Leadership can be defined as the process by which a particular group of individuals can be determined by a particular person to meet certain specific objectives determined and within a specified period without being constrained. From this definition we can draw the definition of the leader who is the person who possesses the necessary skills to determine a certain group of individuals to meet certain specific objectives determined and within a certain set period without resorting to means of constraint.The concept of leadership is important because it needs to be analyzed along with the development needs of organizations that must also take into account the means of performance of individuals working within organizations and how they respond to various stimuli, to various types of motivation.

Organizations need strong leadership for optimum effectiveness.

Leadership, as we know, is a trait which is both inbuilt and can be acquired also.

Organizational leadership at a franchise level deals with both human psychology as well as expert tactics. Organizational leadership emphasizes on developing leadership skills and abilities that are relevant across the organizations. It means the potential of the individuals to face the hard times in the industry and still grow during those times. It clearly identifies and distinguishes the leaders from the managers.

The leader should have potential to control the group of individuals.

An ideal organizational leader should not dominate over others. He should guide the individuals under him, give them a sense of direction to achieve organizational goals successfully and should act responsibly. He should be optimistic for sure.

Also, he should be empathetic and should understand the need of the group members. An organizational leader should not only lead others individually but also manage the actions of the group.

Individuals who are highly ambitious, have high energy level, an urge to lead, self-confidence, intelligence, have thorough

knowledge of job, are honest and flexible are more likely to succeed as organizational leaders. Individuals who learn the organizational leadership develop abilities and skills of teamwork, effective communication, conflict resolution, and group problem solving techniques.

Organizational leaders clearly communicate organizational mission, vision and policies; build employees morale, ensure efficient business operations; help employees grow professionally and contribute positively towards organizations mission.

Leadership means managing a power of convincing others and influencing them to achieve the common goal. Leadership is an important function of management which helps to maximize efficiency and to achieve organizational goals. The following points justify the importance of the leadership in a concern.

1. Initiates action- Leader is a person who starts the work by communicating the policies and plans to the subordinates from where the work actually starts.

2. Motivation- A leader proves to be playing an incentive role in the concern's working. He motivates the employees with economic and non-economic rewards and thereby gets the work from the subordinates.

3. Providing guidance- A leader has to not only supervise but also play a guiding role for the subordinates. Guidance here means instructing the subordinates the way they have to perform their work effectively and efficiently.

4. Creating confidence- Confidence is an important factor which can be achieved through expressing the work efforts to the subordinates, explaining them clearly their role and giving them guidelines to achieve the goals effectively. It is also important to hear the employees with regards to their complaints and problems.

5. Building morale- Morale denotes willing co-operation of the employees towards their work and getting them into confidence and winning their trust. A leader can be a morale booster by achieving full co-operation so that they perform with best of their abilities as they work to achieve goals.

6. Builds work environment- Management is getting things done from people. An efficient work environment helps in sound and stable growth. Therefore, human relations should be kept into mind by a leader. He should have personal contacts with employees and should listen to their problems and solve them. He should treat employees on humanitarian terms.

7. Co-ordination- Co-ordination can be achieved through reconciling personal interests with organizational goals. This synchronization can be achieved through proper and effective co-ordination which should be primary motive of a leader.

METHODOLOGY: THE CASE OF FUN SCIENCE ROMANIA

Fun Science Romania is a franchise system in the field of educational entertainment established in 1996 in Spain and present in Romania since 2005, in which children discover science in a fun and very attractive way. The central element is the character of Nutty Professor who performs scientific experiments in front of children. The team of Nutty Teachers is an important key in the success of the activities of this franchise and a performance indicator. Therefore, the leadership practiced in this organization can be decisive

in its existence. An additional challenge in the leadership component is the fact that all Nutty Teachers are collaborators of the Fun Science franchise and are not employed.
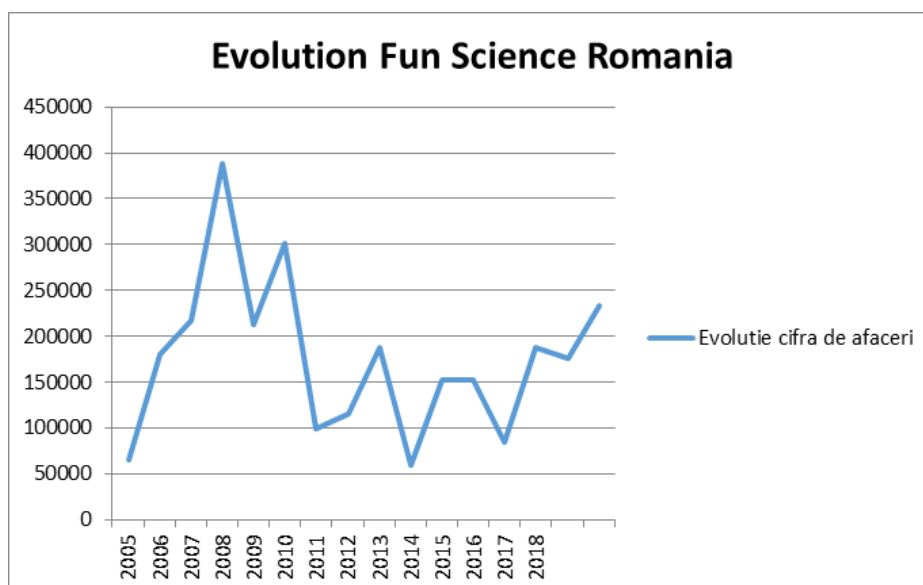
From 2005 until this article was written, Fun Science went through three stages.

Stage I 2005-2008 Effervescence of the beginning

Phase II 2009-2013 Economic crisis and organizational crisis

Stage III 2014-2019 Growing up

Stages	Year	Turnover
Stage I	2005	64595
	2006	181023
	2007	217813
	2008	387550
Stage II	2009	300581
	2010	99627
	2011	114734
	2012	188060
	2013	59858
Stage III	2014	152687
	2015	84880
	2016	187847
	2017	176097
	2018	233148

Evolution Fun Science Romania

Evolutie cifra de afaceri

Each stage was successfully passed only due to the leadership practiced within the organization. Without a strong leadership, Fun Science Romania would have thickened the list of failed initiatives during the burning of these stages.

Stage I 2005-2008 Effervescence of the beginning

In 2005, Fun Science-Ciencia Divertida became one of the 170 franchises present on the Romanian market, being known to the Romanian public as Fun Science Romania. As the figures show, we are in the explosive stage, where Fun Science Romania is experiencing a rapid evolution reaching a maximum of the turnover in its entire history. This stage is characterized by 2 years of pre-accession to the European Union and the first two years of the history of Romania's accession to the European Union. The initiator of the integration of the Fun Science-Ciencia Divertida franchise in Romania is also its general manager, with 15 years of business experience in post-revolutionary Romania. He demonstrates real leadership skills by managing to build a high performing team of collaborators with whom he records the records above.

In the sector of small and medium enterprises, the problems encountered at the time, in general, managers are: lack of training, lack of financial resources, poor marketing activities, difficulties in recruiting and retaining staff. In this incipient context both in the internal environment of the organization and in its external environment we can establish a correlation between the performance recorded by the turnover of Fun Science Romania from this stage and the application of the leadership points expressed above. At this stage, the entire team, both contributors and employees, is in a state of initiation, starting together on the road under the guidance of the know-how offered by the franchise but also of its good knowledge by the general manager. Together under his careful coordination, they build the foundation of what was to become Fun Science Romania. During the four representative years of this stage the created team builds an effervescent working environment that offers confidence and consequently, the motivation and the joy of growth and continuity.

In 2008, Romania officially enters the recession, however the effects of this situation are felt by Fun Science Romania only in 2009 when it begins to feel the economic decline of the external environment. Due to the lack of demands on the market, the services offered by the franchise, the team built by collaborators constantly reduces their number. Fun Science Romania is in danger of closing the activity in 2010, registering its first minimum turnover. In 2011 the activity seems to begin to recover gradually, reaching a slight increase in 2012.

In 2012, according to the CNIPMMR survey in a top of the major difficulties demanded by SMEs, we find the decrease of domestic demand, bureaucracy, excessive taxation and inflation.

A personal tragedy turns into a new crisis, this time organizational. Fun Science Romania loses its general manager because of his death. 2012-2013 is the year in which there is again the danger of ending the activity, marking an intense crisis of leadership and reaching its minimum in terms of turnover. Again, we can see a close connection between the concept of leadership and the performance achieved by the company this time on their descending slope.

Fun Science Romania is changing its general manager, with the role of continuing the leadership strategy initiated in the first stage.

Stage III 2014-2019 Growing up

Following the graph above we can see how Fun Science Romania knows at this stage a period of search and maturity, located on a predominantly ascending slope. Although experience is not the strength of the general manager, he is proving to be a leader capable of building from 0 a new team of collaborators with whom to reposition the Fun Science Romania franchise in the Romanian market. According to the statement of Florin Jianu, president of CNIPMMR, in 2019 most of the Romanian entrepreneurs see the hiring, training and retention of the personnel as being at the top of the major difficulties faced by SMEs, in the second place bureaucracy, being followed inflation.

Already at the age of 14, Fun Science Romania has shown that it has stood the test of time, managing to rebuild after each crisis, with leadership being the basic component of this longevity. The team of collaborators with whom Fun Science Romania records organizational performance can be both a weak point and a strong point depending on the existence of its leadership.

Leadership	Implementation	Turnover in lei (average)	Implementation	Turnover in lei (average)	Implementation	Turnover in lei(average)
1. Initiates action	Intense, with enthusiasm		low		Intense, with enthusiasm	
2.Motivation	strong passion		demobilization caused by the environment		strong, passion	166931
3.Providing guidance	vision clear mission		vision and clear mission	152572	vision, clear mission	
4.Creating confidence	experience that offers safety	212745,25	loss of safety		courage	
5.Building morale	stability		team demoralization		friendship	
6.Builds work environment	the fulfil of objectives		Free fall		the fulfil of objectives	
7.Co-ordination	know how solid		Lack of coordination		know how solid	

CONCLUSIONS

We can say without a doubt that successful organizations need leaders at all levels. Finding the best leaders according the specific of the activity and the specific of the organization is a real challenge.

Leaders builds morale and improves satisfaction, by building and developing in employee's confidence and by creating a warm and positive environment. The positive working environment without stress or with minimum stress level makes the jobs more attractive and stimulates the employee.

However, we can conclude that leadership is the ability to direct a group of people in realizing a common goal. This is done by people applying their leadership attributes. Leaders create commitment and enthusiasm amongst followers to achieve goals. Leadership is achieved through interaction between leader, follower and environment.

By placing strategic leaders throughout the organization, monitoring external trends and events can be done at the departmental level. With this knowledge, the executive team members and leaders can formulate a relevant, adaptive, innovative strategy that will guide the organization into a successful future.

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