

## Leadership and crisis

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*Mr. President, Ladies and Gentlemen,  
Dear friends,*

In the past years we have witnessed and we still witness a very deep crisis which is translated into an economic crisis; If we go deeper and we analyze this situation more, however, we will realize that the planet we live in, is experiencing a greater crisis: a crisis of orientation, a crisis of values and, finally, a crisis of Leadership. This is because all these years we have lived in an over valued environment as well as in over valued markets which, being attractive, have turned us away from substantial values which would be determinant for the sustainable development of all the people.

Moreover, the businesses, the economies and the societies had the misfortune to be managed by managers who were

Ineffective. Ineffective to deal with economic issues, with issues related to the resource and environmental management as well as with social issues resulting in the deterioration of social cohesion in many countries.

What are considered to be the global economic conditions may well be considered as such in European Union as well. I, personally, believe that the biggest problem that the European Union is facing this is not its current financial situation. The biggest problem that we face in EU is our beliefs, our attitude, the lack of teamwork, the lack of believing in our continent, and most of all, the lack of a True Leadership that will create the Vision for the Union and empower us to follow this vision and achieve it.

A straightforward, honest Leadership. A Leadership that will act wholeheartedly, a Leadership of great moral courage and great

moral reserves. A Leadership that will have the stamina to withstand the challenges and the courage to undertake the risks. A Leadership that will bring together and create small communities. A Leadership that has an intense need for self-criticism resisting, thus, to criticism. A Leadership with a heightened sense of self-awareness investing, thus, in continuous learning. A Leadership with a heightened sense of self-esteem boosting, thus, the self-esteem of other people and respecting them. Finally, what has been lacking is a Leadership that believes in striving for and sustaining Excellence as a philosophy and not in only pursuing perfection as a practice. A leadership that aims at offering to others and will leave a positive legacy for generations to come. In other words, **what has been lacking is an Inspired Leadership!**

#### **Who is an inspired Leader today?**

What makes an inspired leader besides authority, vision and competence to inspire the people of his business, his society, his country?

What is that which will help a leader win the hearts, minds and souls of the people getting, thus, his business or the society out of the crisis towards a sustainable development?

Do we have to refer to prominent management theorists, contemporary ones or not, in order to get these answers? If we study Peter Drucker, Warren Bennis, John Kotter, Daniel Goleman, Peter Senge, **will we be able to manage our people under this unprecedented crisis that sweeps away all certainties and stereotypes?** Obviously not!

Today's Leader should have certain characteristics that go beyond the strict context of business environment.

Today's Leader should be human and considerate. No one feels comfortable

when working with someone who looks perfect. To reveal some "controlled" weaknesses to those with whom we work, makes us more human and considerate.

Today's Leader should be intuitive; we should be able to look and read beyond the words. The prevailing atmosphere and the body language convey more important messages compared to the ones that are said.

Today's Leader must have empathy combined with strictness. Leaders should be able to identify the concerns, feelings and motives of other people; they should care about them and urge them to offer the better of themselves.

Today's Leader should be authentic, unique. To show to those around you that you are unique, highlighting those qualities that only you can have is as crucial as, to highlight the unique qualities of the brand you represent.

Today's Leader should combine several features of emotional intelligence and he should be Rewarding, Cooperative, Communicative, Bridge-builder and Ethical. He should acknowledge his limits but he should be able to overpass them. Today's leader should be able to define a common goal and think how this goal may be achieved.

This is, to my opinion, the only way to maximize the performance of the personnel, his performance and the performance of his business ensuring, thus, the ability to remain productive and viable!

Moreover, we should change significantly as well. Because, even if this enlightened leadership is found, it will make hardly any difference if we keep on having the same characteristics. Leaderships do not succeed when the followers do not share the same vision, are not inspired by their leader, do not share the same values and principles and do not act

the same way. There is a lack of leaders because there is a lack of followers, and at the same time, there is a lack of followers because there is a lack of leaders.

Ladies and gentlemen, Dear friends, Every day there is evidence that we live in an Economic Union where superfluity and extravagance prevail; every day there is evidence that we live in a Union where criticism prevails over self-criticism, we live in a Union where the lack of self-respect and, therefore, the lack of respect destroy everything good in this Union, we live in a Union that we are not proud of.

These behaviors, this mentality are the biggest obstacle to the efforts of certain professionals and companies to go forward, to grow and, thus, boost the European Economy.

**Detachment, Awareness or Active Participation is the key question we have to respond to the challenges ahead?**

The answer is easy: It is not possible to give up change and progress by pretending that “**nothing changes**” because everything can change if we all commit ourselves to do so and change everything.

It is not possible in a society willing to move forward, **unrestrained and unlimited criticism** to be the national sport. We cannot and should not create **escape goats** while having certain good examples that we are proud to show off.

Passive participation in our environment makes us to unintentionally create an environment where **our participation has absolutely no importance**.

We should be active players instead of passive spectators for the sake of our goals, our desires and our dreams. Thus, we have many chances to do better.

Second query:

**Criticism or self-criticism?** At first stands the self-criticism and then comes

the criticism. Other people are not the only ones to blame for every bad situation that occurs in our business, our economy or our country. We also have our share of responsibility. President John F. Kennedy once said ‘**Ask not what your country can do for you but what you can do for your country**’. Anyone can realize how accurate this proclamation may be.

We talk about the reduced competitiveness when we are the **key factor to increasing competitiveness**. We talk about the reduced productiveness when we are the **key factor of measuring it**. We talk about collapse of the welfare state, when some of us do not pay social security contributions or misuse the reserves of the welfare funds.

We talk about the environment when some of us are destroying it. We talk about an inadequate tax system when we, State and citizens, maintain this inadequate tax system. **How real and substantial self-criticism may be as far as these issues are concerned?** Should we think that sooner or later there comes a time when we realize that, by criticizing the system and other people we criticize ourselves since we are part of this system?

Self-respect implies the respect to other people as well. So, when we see that there is not any respect among the people in a company or in a broader institution, then, it goes without saying that the rate of self-respect is very low and we should point out that the lack of respect may cause problems, frictions, turbulence and stagnation.

It is clear that our economy European Economy has many structural problems that are magnified due to the economic situation but also due to the inaction and the false choices that governors made, as well as due to the non-active participation of all of us in a common effort to create

something better. **The main problem we must face is the problem of changing our culture.** We should become more self-critical. We should have a high rate of self-respect and self-awareness. We should be active citizens. **We should dream big and commit ourselves to do it joining forces.** And above all, we should invest in learning and in knowledge.

I would like to share with you some messages that could help:

**First message: “yes” to Leadership and “no” to Management.**

It is obvious that one of the biggest problems of our time, at a political, social and business level, is the lack of leadership. Leadership as a way of behaving and as a culture; so there are no visions, there is no self-commitment and those who are having the role of followers do not have the leaders to believe in and follow. As Professor Gary Hamel said during a late conference, the economies and the societies do not need Managers any more but they need leaders, people with vision, principles and values, people who could inspire and mobilize their colleagues for a more efficient future.

**Second Message: Business isn't just Business. It's the Economic Engine of Democracy and Prosperity in a society.**

That's what Peter Drucker said, not me. If these Engines do not work properly, if we do not have the proper operators and preservers, how can we expect something better?

**Third Message: A company dividend should be evenly distributed among all the stakeholders.**

The path to sustainable development entails a balance in all business processes and operations. The profits and the dividends to shareholders must be equally important to human development, which is the main asset of the company, as well as to

the proper choice and relationship with the suppliers, the honest relationship with the consumers and the constant contribution to the society where we come from. Finally, it is imperative that companies protect the environment. An even distribution to all the stakeholders is necessary.

**Fourth message: The Framework of Principles and Values is essential for the Proper Functioning of Enterprises and Societies.**

Societies have laws within which they operate and the clearer these laws are, and the more fully met they are by all the parties concerned **the well-governed a society shall be.** The same applies in business. With developments in technology and the enormous changes taking place, it is obvious that this framework should be as clear as possible.

**Fifth Message: Education in its broader sense is the basis of development.**

Living in a highly competitive environment, we valued the skills of our people **leaving behind** behaviors, principles, values and beliefs, elements that are essential for the sustainable development of companies and societies as well. We all know that skills can be acquired in much shorter periods while behavior, principles and values take time to be acquired, taking more time if conditions are not favorable, as it is the case these days. So, young people should be fully qualified when entering the society and then they have to further their education during their lifetime. This should also be the case when delivering skilled professionals to the business community.

**Sixth Message: We should give Meaning to any Role we have in our Work or in Society.**

If we want to stand out in what we offer as professionals or as active members of a

society, we must give value and meaning to our work or to our role respectively no matter if they are of minor importance or not. When we are part of a team or part of a production chain, we are as important as any other part of this chain. Besides, once we give meaning to what we offer, it is clear that the reward for our work will be important and it will give us the power to develop our potential. We must feel that we are doing something important in order to consider it as important as possible and give a significant meaning to it.

**Seventh Message: These Changes should take effect Immediately.**

We are short of time. Drucker said that **“One of the best ways to deal with change is to anticipate it.”** We can change what we did wrong. We need a Vision, we need **Hope**, and we should leave **a positive legacy for generations to come.**

Ladies and gentlemen, dear friends,

By making this statement, I tried not to be tempted to criticize others; we can easily do it at many levels, especially criticizing politicians.

The message I really wanted to pass and clearly expresses me is that even if someone could, in a magical way, give solutions to the superficial problems of this country, unless we change its substantial problems, we could not hope.

There are solutions, simple and complex ones. However, these solutions could become complex to too complex because of the persistence of all of us, governing people or not, to **make the complex issue even more complex.**

Through this statement, I tried, therefore, to send a clear message: what the state and in our case the European Union has to ensure, **is to create the proper environment in order to have the proper entrepreneurship flourished.** In order to do this, the

politicians of the Union have to understand that **Businesses are the economic engine of Democracy.** However, regardless of what the Union and the states do, we must do everything to maintain this engine and make it as productive as possible.

Ladies and gentlemen,

The Continent we are living in has been built with many struggles and sacrifices and apparently with many imperfections also. It is not a true Confederation of States; nevertheless, we have the obligation to support it because it is our own Brand. It doesn't matter if we are Germans or Italian or Greeks or Lithuanian, or British, we have to believe and support that more than everything we are Europeans.

We must not allow anyone to criticize the credibility of our countries and Europe in general; if such a thing occurs, we will all be offended and this is intolerable. In this sense, I believe it is necessary to build our own new micro societies in our organizations as well as in our supply chain in general so that many new healthy business communities substantially reverse the situation. This is the only way to achieve competitiveness, to fight unemployment, to become stronger not only as a National Economy but as a European Economy as well.

Let me close my presentation with an optimistic message using a quote, again, of Peter Drucker:

**“The best way to predict the future is to create it.”**

In this sense, I urge you to make it happen all together in a simple and effective way. This is the message that the European Management Association addresses to the participants of the Baltic Management Association Congress and all the European Managers as well.

Thank you very much for your kind attention.