

# ROLE OF ADMINISTRATORS, MANAGER AND LEADERSHIP IN SHAPING AN ORGANIZATION

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The role of administrators, managers and evolving requirements of leadership are focus area that we need to look at as we move into European Union. What we require is to explore the definition of these three constituents and draw possible contours of evolving framework in this regard.

## BASE DEFINITIONS

If one has to define the definition of administrator one will normally cover a person or office involving decision making or executing an order and ensure that rules are followed. Typically administrators also provide oversight within defined boundary of jurisdiction. Thus the normal perception of good administrators is usually one who can ensure that the oversight functions are properly defined and complied with, historically, the word 'Administrator' has typically come to symbolize the role of the bureaucracy.

On the other hand a manager is typically seen, as someone involved in the corporate sector, be it privately owned or a state enterprise. As society evolved it become necessary for groups of individuals to be organized with their energies harnessed for a common purpose. Thus was management developed as a discipline? At a base level the manager is an individual who can oversight a process, assimilate and manage information and data, and use the same in his decision process. More importantly a manager is also seen as someone who has the ability to react to external stimuli, information and change while executing his function.

Leadership however is that intangible quality that eludes any single description. Leadership involves an art form rather than pure science, since it includes the subjective element of the individual himself. Leadership therefore has different facets and Leaders tend to have a distinct and separate personality and ideology and a plethora of styles. The Leadership in our opinion postulate to be a function of administrative and managerial talent with overlay of risk taking ability, the ability to anticipate and react to an emerging environment and most of all to have the charisma to inspire willing followers. In conventional sense other two cannot be described as Leaders.

### **ADMINISTRATORS – THE GENESIS**

Coming to the system of administrators in Eastern European countries comes from Russia or Austro Hungarian Empire with an interment period of Turkish rule. During the period of Communist Era the administrators were normally part of party apparatus and were subject to circumvent by Political ideology of that time. The system of administrators is still greatly influenced by Political thoughts of ruling party instead of Economic and social parameters in which state operate. In our opinion there is a need to have a shift in the role of administrators particularly when we are entering European Union and will be subject to directives and regulations from Brussels.

### **EVOLUTION OF A BUREAUCRAT**

Such segmentation can be undertaken either as a function of time, or based on the evolving environment. When we talk of segmentation as a function of time we in fact are referring to evolution of bureaucrat in relation to experience he gathers in the course of his multiple postings. This if an administrator has to evolve to become Leader the metamorphosis must necessarily be from an administrative outlook to a management perspective, and eventually, the acquisition of leadership skills. This is the way in which we grow and develop manpower within our corporations.

We are of the opinion that there is a positive role here for ongoing education. One of the best teachers is something that we call experience or that hard grid hands on training through all aspects of business or a function. Therefore, while we initially learn administrative skills, we would also need to grow and evolve into managers and leaders in the future.

Normally a new recruit in civil services ends up as a senior level Administrator. Hence it is imperative that right from induction stage job focus as well training programmes stress development of managerial skills in such individuals should be given priority. Once an administrator is involved in policy making decision the Leadership quality should be uncalculated in such individual.

This methodology is in vogue in private sector to groom individuals for higher level of responsibility in certain corporations promising managers rose to level of vice president or even president. They are groomed for leadership role in order to focus them for emerging CEO role or for their functioning as a head of a business unit. Where organizations can so afford these include sending them for specialized courses, develop for such a purpose at Stanford or Harvard. In other cases select training models and programmes as well as redefining of the job responsibilities help groom the individual to meet such challenges.

In our experience skill sets have been readily available within the cadre. The good leaders can grow in any environment. Airbus Industries coming as a competitor to Boeing and Pratt Whitney is an Example of developing and pooling Competency of Euro Administrators to International environment.

## **THE EMERGING ENVIRONMENT**

Wherever economies undergo a transformation the role of government and the role of erstwhile administrators must be redefined. At a fundamental level, governments have redefined their role in post-communist era.

Today there is a broad consensus that it is no longer important or desirable for government to promote and support forays into bread making or manufacturing automobiles.

Similarly the role of the civil services must evolve from erstwhile framework of patron, licenser and enforcer of rules to one that is more attuned to the merging society. In essence it is as much

a shift of an era from an industrial age when licenses were key and information was sacred, to an information age that is far more open and where there is an absorbed value for thought and intellectual power. As information becomes freely available bureaucracy must shift its focus from dissemination and intermediation to one of partner and facilitator.

## **A GLOBAL OUTLOOK**

At one level we need to balance the impact of global changes and at second level there is a need to look at local issues and concerns which are more real to immediate citizens in effect therefore a leader would need to look at local issues and concerns which are more real to the immediate citizen. In effect therefore a leader would need to think global while acting local.

The best description of this kind can be seen in Singapore where it has evolved into Singapore Inc. The head of the nation function style of a Chairman of corporation and address his constituents in form of Chairman Statement or Board of Directors Report. In fact it help a nation in getting balance sheet of the year gone by and direction to be pursued in future. The civil services in such a state work in tandem with the private sector to provide a unified face of Singapore Inc. This partnership approach is best reflected in fostering bilateral country-to-country framework for creation of real projects on ground. It is this litmus test on which we must assess the growth of private public Partnership. It is here that we must recognize the need for the managerial and leadership role for the bureaucracy. Thus, just in the way that CEOs evolve from managers to leaders, so also bureaucracy must shift its focus from administration first to pro-active management, and then to leadership. Working with private sector, they are best positioned to evolve the contours of a policy that can then be a subject of legislative debate and enactment.

## **THE EMERGING ROLE OF THE ADMINISTRATOR**

Coming to the emerging role of the administrator. It is important to understand the differing expectations of the concerned counter- parties. At one level, there is the inter-action with the common citizen for whom the emphasis remains the effective delivery of personal infrastructure services in his local area. The common man is neither concerned with nor

enamoured by buoyant statistics on forex reserves or the last quarters GDP growth. Their focus necessarily relate to regulations that result in the effective delivery of services, be it in the local school networks or in the drainage system or in the provision of potable drinking water. At second level, their concern relates to the transparency of the process through which they can access the required services from local government.

Thus to be local, the bureaucracy must necessarily provide an interface that has an accent on local concern. It is this interface, which leaves a lasting impression on local community.

Similarly, the corporate sector has different concern in so far as the expectations for the future are concerned. As global economies become integrated, there is a need to remain competitive and flexible if we are to play any meaningful role in the world trade and commerce. The corporate sector therefore needs to be proactive rather than reactive and it is here that there are changing expectations from administrative services. The emphasis is on a bureaucracy that is transparent, and a facilitator. The role of Ministers at the central level has been increasingly becoming one of a partnership, combined with role of a regulator.

## **CORPORATE GOVERNANCE**

Just as we expect transparency in the regulatory process, corporate will need to increasingly demonstrate a similar approach in their internal functioning. Increasingly, it will be imperative for senior management to spend more time on issues in relations to best practices, compliance, reporting and accountability. Earlier, when information flows were slow or limited, such issues were seldom at the forefront of debate, however, we have today a situation where events unfold in real time across the globe. Corporate are increasingly coming under the microscope given their increasing dominance, economic power and impact on society. Good leadership therefore will be predicated on the premise that corporate leaders of tomorrow spend more time on self-regulation, as this is in their own long-term interest.

## **THE GOVERNANCE OF GOVERNMENT**

As it is mentioned it is fashionable today to talk of issues relating to corporate governance. Our current pre-occupation on this subject is timely, and highly desirable. We simply cannot afford



to continue a corporate culture where family management shows scant regard for both institutional investors as well as shareholders from the general public. In addition, succession of management in family dominated enterprises is seldom an optional solution over multiple generations.

Ironically, most of the ingredients of good corporate governance in the private sector are already in place. They need to be strengthened. Shareholders are no longer silent inactive lot but take great interest in corporate affairs, as most Annual General Meetings would indicate. With a rising class of professional investment and analysts constantly analyzing corporate balance sheets and meeting with senior corporate leaders, very little that might affect corporate performance escapes attention. With the rise of financial journalism, the press has been a major player in ensuring corporate compliance with regulatory and legal frameworks. The real problem seems to lie in public sector corporate governance where shareholders being the public at large through the taxes they pay have almost no say in the management or the activities of Public Sector Undertakings.

The management of PSUs as a consequence, has little autonomy and in many cases is encouraged to maintain the status quo in business strategy rather than to risk change. Major decisions are delayed or not taken at all which includes the appointment of CEOs. In other words almost all the basic ingredients for good governance are missing- clarity or responsibility, transparency, checks and balances and thus accountability. Corporate governance does not seem to exist at all.

Corporate conduct is a function of the environment it finds itself under, it follows, and more or less the standards society imposes on itself. In Romania we have chosen to surround ourselves with Complex legal fiscal and regulatory environment which constraints rather than facilitates; regulates rather than supervises; complicates rather than clarifies; produces opacity rather than transparency; and encourages rule bound behavior rather than policy directed behavior. Good Governance at any level- corporate or governmental- will crucially depend on greater simplicity in the process of governance combined with much stronger checks and balances, clarity of roles, the assignment of responsibilities and obligations which will enhance accountability where it is due. Complexity generates its own price, which is none other than a computation tax, which accrues to others rather than the exchequer.

***There are two primary issues in the process of governance:***

The environment has changed radically over the past few years, as a result of the new economic policies enunciated and implemented by successive governments. Today, the allocation of responsibility between the state and the center is vastly different from the allocation that existed when the present systems of governance were first formulated and put in place.

In the private sector, we continually re-engineer our corporation effect changes to the organization structure, and frequently overhaul entire methods of production and delivery. It is high time that the government works up to its responsibility of similarly re-engineering its own processes. To my mind, that is the single casual factor for the visible lack of success we have had in moving projects forward expeditiously and in a cost effective manner

Let it be explained with help of an example, we are familiar with famous and useful filing system in the government whereby remarks of all the officials are laboriously preserved for posterity. The creation of durable archives was perhaps an end in itself when the system was first invented. The system has worked well for perhaps a century and served the purpose for which it was created i.e. the framework of governance for implementing defined rules, procedures and for oversight of public expenditure.

Somewhat ludicrously, we are attempting to use the same system of governance for delivering projects under public private partnership. By definition each project or initiative has its own peculiarities and the requirement of specific solutions mocks at the efforts of governance predicated on a uniformity of rules and regulations. It is the nature of the beast that all the projects would have areas where a judgment call are made without much ado every day or even several times a day in the private sector. And it is here that our famous filing system breaks down completely producing seemingly an unending bureaucratic impasse.

Second issue significantly aggravates the situation, which is another peculiar feature of governance in the government sector. Here we would like to refer to somewhat unfortunate practice of filing the highest slots in the bureaucracy with individuals who have a residual tenure of service of a few months. No CEO can successfully lead to fortunes of a few months. It is scarcely surprising then that management will and vision at the top of the bureaucracy ladder is sometimes found wanting.

## **THE RE- ENGINEERING OF GOVERNMENT PROCEDURES**

Over the past seven years, it is a fact that we have made notable progress in carrying through our program of economic reform. By definition, commercially sponsored projects appear to be more expensive, given incremental costs on account of insurance, interest in the construction period and at times, improved designs. As you know, government does not take recourse to insurance and until relatively recently. We have seen individuals who are otherwise savvy but they do not fully appreciate costs where the payment of interest is concerned.

Today we have come to a stage when it is no longer a question of cheap money versus expensive money. With the progressive dismantling of subsidies, the choice today is clearly between dear money and no money. In addition, the policy framework is largely in place in almost all sectors, with perhaps the singular exception of the civil aviation sector. The gyrations of public policy in this sector are well known and to a dis-interested spectator, it has all the ingredients of a soap opera. But, by and large, policies have been formulated and statutes have been changed where necessary given our somewhat archaic system of legal jurisprudence that was first enacted in the mid- 19<sup>th</sup> century. In addition to the enactment of statutes, frameworks have been laid with attendant operating guidelines.

We are today an economy that is in transition. As part of global economy, it is also buffeted on an ongoing basis by changes taking place in external markets. Progressively, there would be less for government to administer, and we already have a backlog of issues that government needs to manage. If we are to progress further and address ambitious goals, including aspirations to be part of APEC, our governance systems must also have the capacity to throw up leaders who not only have the ability to manage and re-act, but who have the vision to look ahead and the charisma to attract their own following.

## **THE NEED FOR SPECIALIZATION**

If we look at the corporate sector, we can readily discern certain areas that have evolved as specialized functions. Thus, while most corporate groom general management skills, there has been the realization of the need for the specialist to coexist side by side in the corporate sector. Such specialist should also be developed in civil services. The head of civil services should be



form specialist cadre to which department belongs then a bureaucrat. If we have to effective there is a need for such specialist. The field of trade, commerce, investments are complex fields and services of specialist are invaluable.

## **WHAT CONSTITUTES A GOOD LEADER**

The skills required by the leaders of tomorrow are of prime importance. There are certain changes that leaders of tomorrow have to recognize

1. We have historically operated in area where demand outstripped supply and have seldom needed to be nice to customers. Thus, the mere availability of a license ensured adequacy of profits in an increasingly competitive economy. We need to shift our mindsets away from traditional approaches and to and to treat the customer with a degree of reverence. It's shown in large number of MNCs that adherence to quality standards and a concern for the individual customer, be it its customer for loans or a retail depositor serve to be in the best interest of the institution. Our successful dis-intermediation in the retail markets is a testimony not only of the systems that my colleagues have built, but also due to the special care that we bring in our dealings with such customers.
2. At second level, all good leaders in history have had strong management teams, in initial years of an institution growth a strong individual can always shape the institutions destiny in an effective manner, but as markets, products and institutions mature, the ability to attract and retain management talent becomes paramount.

The leaders of tomorrow have to operate at international trends and global information. They also need to be aware that as tariff barriers around the world are increasingly rationalized their corporations must be capable of sustaining such changes to effectively compete even in domestic markets. Good leaders need to benchmark their corporations against international players.

## CONCLUSION

Good leadership results in sustainable brand equity. I believe that it is best practices in all that we do that is the brand equity of all. In the long term, integrity, transparency quality and higher level of services do more for your brand than any advertising or communication program.

