TRANSFORMATIONAL LEADERSHIP AND THE ECONOMIC COMPETITIVENESS IN SHIPPING INDUSTRY TODAY

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ABSTRACT

An important analysis of the parameters of global competitiveness, in shipping industry, shows that there is a series of issues that can be reviewed and interpreted on the basis of new models. One of the models based on which we could analyze economic competitiveness is the transformational leadership in this industry. Attributes of a competitive economy can be found in the selection of methods which determines the performance in a company and in a nation, as in training employers in a framework of cooperation. Through this study we intend to analyze the manner in which the global economic competitiveness in shipping industry is influenced by transformational leadership in this industry. We will try to make a comparison between different ways of analyzing economic competitiveness to what extent the transformational leadership is involved here.

Keywords: *shipping industry, competitiveness, leadership, transformational, training employers.*

1. INTRODUCTION

Economic meanings derive from different economic models, and development derives from the transformation of existing technologies based on knowledge of the relationship to new methods of analysis and practice, that can be applied after 2012.

Institutions create environments in which people can develop self respect, enthusiastically participate in company life and society in general. Transformational leadership intervenes where one or more people share their levels of motivation and morality very elevated.

Considering that each step is due to the successful interaction and collaboration, we try to shape a framework of economic competitiveness in relation to transformational leadership in shipping industry.

We try to find some descriptions of transformational leadership and to describe the relation between transformational leadership and economic competitiveness in this industry.

We also considered what authors in management and marketing studies had to say about transformational leadership, the transformational leadership examples of start-ups and young firms, and big companies, and big states, the processes of competitiveness creation and competitiveness sharing, and competitiveness different analyzes in general. This tip of leadership must manage:

- Safety,
- Commercial activity,
- Efficiency,
- Running costs,
- Managing people on board,
- Managing shipboard maintenance,
- Managing information,
- Managing risk,
- Managing social relationships with multi-cultural crews

In commercial fleets, economics, efficiency and competition are a dominant influence. A transformation leadership can answer proper at all demands claim by this factors. Only this tip of leadership can assure good condition for a good profit.

2. TRANSFORMATIONAL LEADERSHIP IN SHIPPING INDUSTRY- DEFINITION AND IMPORTANCE

Maslow estimated that the process of becoming a leader is analogous to that of a musical conductor (Abraham H. Maslow, Deborah C. Stephens, p. 165).

MacGREGOR Burns in 1978 (David M. Boje, 2005) presented the analysis which was earlier researched by Max Weber and showed the differences between the Leadership of the transactional and the transformational Leadership. If the transactional leadership is the bureaucracy and work for money, in contrast, the transformational leadership is based on charismatic leaders convinced by their attitude toward cooperation. He gives the example of A.H., suggesting that sometimes such cooperation can be fatal. Burns has proposed another form of leadership less frequently, what he calls transformational leadership, a leadership that is founded on the human need to have a reason to manifest and create a goal for the enterprise.

In contrast to Burns, Bernard Bass presents the key to success in the transformational leadership, which is accompanied by the charisma and character, not by the desire to have power, but the ambition to succeed. This is well highlighted by the finding that people are enticed to follow leaders who inspire, people who have not only a vision of what they do, but do things with passion but who really do things with passion, the path to being successful "by injecting enthusiasm and energy (Bass, 1990). Transformational leadership is correlated with high values, the choice based on ethical and inspirational motivation. Today this tip of leadership must be compulsory for shipping industry.

The transformational leadership is a new way to analyze the results of collaboration between managers and other employees. "The concept of transformational leadership is used to highlight the stronger result while

practicing a style of management effective on people who are guided" (Nistoreanu Puiu, Pericle Uidumac, p.12).

In the context of a transformational leadership, relations between manager and employee are based on cooperation and willingness of self overcome, supreme interest of carrying out activities to determine success in the company.

Name of transformational leadership is due to the transformation that has a certain style of management and employees on the set of values necessary for success. Transformational leaders have in minded the objectives and training to achieve those objectives. According to Waren Benis leaders who are part of the transformational leadership have four significant components that are "management attention, meaning management, trust management, self management (Puiu Nistoreanu, Pericle Uidumac, p.13).We emphasize that management attention is focuses on the elements that are truly important to the company and employees, management presents examples of what should be interpreted as data management, trust is based on relationships of trust between managers and other employees, management is seen as self a detailed analysis of the limits, but also skills and personal resources. Abraham Zalesnick specifies the difference between managers and leaders: "Managers prefer to work with people, leaders causing emotions" (Tom Peters, Robert Waterman, p. 101).

Kamal Dean Parhizgar considers that the motivation factors are achievement, recognition, the work itself, responsibility, advancement and growth (p. 137).

By the analysis of the four styles of management, it results that each of them is a step in achieving effective collaboration between manager and employees. Transformational leadership is based on developing collaborative relationships between leaders and employees, and the impact it has on their features and development company and its competitiveness. This collaboration is based on teamwork without distinction to be made between hierarchical relationships. Also this is the key of success in this tip of business.

3. FROM TRANSFORMATIONAL LEADERSHIP TO ECONOMIC COMPETITIVENESS IN SHIPPING INDUSTRY

Transformational leadership is an appropriate training of competitive economy; it is like a picture frame of competitiveness.

To understand which is the ratio between transformational leadership and economic competitiveness, we will try to determine first the foundation for economic competitiveness.

It is important to use such an approach because the "meaning of meaning is the relationship between things," (Eric McLuhan, 2006, p.530). Economic competitiveness is formed in a framework in which market economy conditions are conducive to development of new products or services, thus strengthening the foundations of international affirmation and harnessing existing benefits.

Research, the volume of knowledge and technological development contributes largely to the preparation conditions for the development and stimulate economy nationally and internationally.

Economic competitiveness can be analyzed at the micro and macro levels. At the micro level, it can be analyzed within the company and at the macro level in the country. Michael Porter proposes an analysis of economic competitiveness, explaining how some countries can be leaders in the production of certain products. Porter explains how some nations are competitive in certain industries (John J. Wild, etc., 2006, p.168).

Porter presents national diamond as composed of national policy, national application, related industries, and business strategies that companies adopt.

Primary factors are represented by the resources available to business or economy, the factors and qualities of the various advanced segments of labour, technology infrastructure of the country or firm.

Advanced factors are the result of investment in education and innovation due to different training sessions and research, technological development, and various modern methods of management and incentive systems.

Factors that a firm has, are based according to Porter primarily on human resources, then the capital resources, physical infrastructure, administrative, informational, scientific and technological.

Company should consider the context in which it develops, how to protect intellectual property, competition in the growing, and demand conditions, which can be analyzed nationally and globally.

In contrast to Porter, Paul Krugman (Paul Krugman, 1994) presents an analysis of competitiveness in relation to its limits. Thus he suggests that the possibility that calculus the assumption that economic competitiveness is deducted from the success that we are a nation in international marketing, not to justify the practice.

Krugman believes that this happens because there is an obsession of growth especially in developed countries, economic growth, which should not be seen as a well-founded business, but as a record known. He believes that the competitiveness level of the nation is much more problematic than determining competitiveness at the firm. In this sense if a firm is not competitive and goes bankrupt, ceases to operate, a nation can not leave under any circumstances the scope of business.

Based on this analysis of economic competitiveness, we can distinguish the presence of transformational leadership in value creation and human resources while training support required in the performance of the company and an entire nation.

Economic competitiveness by developing economic growth based on resource efficient and managed on a process of collaboration both within companies and between them and between different governments or institutions specialized in the research. A good growth plan captures the vision for expanding the company (Michael A. Cusumano, Georg Von Krogh, p. 270).

The seven keys are the organization's structure, strategy, systems, shared values, savoir-faire of the staff, style. (Tom Peters, Robert Waterman, p.32).

Investing in leadership is the transformational powers of creating cumulative lead to economic competitiveness of the company. A manager or employee must know how to adapt to any situation, he has to "to consider if any changes that are proposed or imposed, which will track the decision for his career" (Peter Noll, Hans Rudolf Bachmann, p.65).

Tom Peters and Robert Waterman (p. 35) consider that the best innovative companies are the following: those who share responsibility and make first practice, they are always learning from their customers, listen carefully to their suggestions, they encourage autonomy and innovative spirit, these innovative enterprises preserve many leaders and innovators in all levels of organization, thus companies respect what Fletcher Byrom said: "Make sure to generate a reasonable number of errors". For these companies, productivity is associated with staff motivation and the best companies treat the base as the source for quality and productivity gains, they are mobilized around the key values, these companies know how to do, they keep the structures simple and casual, structures and systems of the best enterprises have an elegant simplicity, they are centralized or decentralized depends of the context.

Michael Best presents productivity triad in business model, skill formation, production system (Michael H. Best, p. 10).

The transformational leadership is to develop human capabilities to achieve performance, open new opportunities for employees and the working team, encourage open dialogue and ideas new results, however to have both short term and the long terms contributing in order to increase economic competitiveness.

Analyzing practice, this it means choosing the most appropriate ways of leadership, representation and participation in decision-making and implementation. Michael Porter (Porter, 2003) presents three sources that lead to economic competitiveness, that is innovation, productivity, prosperity.

Innovation is based on the transformational leadership, which leads to productivity, creating a healthy economic environment for a competitive business and for development of new products.

4. CONCLUSIONS

It can be noticed in the presentation of the characteristics of transformational leadership its footprint in the conduct of firms in which such a stand. We could find a basic definition and analysis based on its economic competitiveness in shipping industry.

People are the most important resource in this industry; the manner we use it depends on the manner we understand it and the style of leadership existing and being accepted.

Economic competitiveness in this industry exists as a form of progress for certain people and for others only as a form of indoctrination to certain values. An alternative training in economic competitiveness is a detailed analysis of the transformational leadership and taken as a reference in dealing with economic competitiveness.

If one looks at the changes that occurred in management through the transformational leadership, one could say that it is a tool to cause economic competitiveness and to develop new areas of its analysis. Since there are several views on the concept of competitiveness, evaluation may be done by reference to modern reference bases.

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