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Ethic Leadership Trigger for Talents

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Abstract

Leadership of the future in an AI world is dependent on talents. Ethics, Cohesion, CSR, Brain drain and Talents literature points towards the ethical leadership. In a global world in deficit for talents, ethics could be the solution. Our research question is the job tenure a potential measure of ethical behaviour in a firm in view to attract and maintain talents. The first step of the study is presenting spatial analyse at regional level (NUTS2) for all 28 EU countries (254 regions), covering 2008-2018, for five key variables, data provided by Eurostat. Considered variables are employed in science and technology and employed persons in technology and knowledge intensive sectors, tertiary education, and participation in training, population ageing, and job tenure. The results are valuable inputs for Redefining Purpose and Strategy in the Fourth Industrial Revolution as Canals and Heukamp, (2020) announced. Regardless the depth and length of coronavirus crises, the Sneader and Singhal (2020) named "path to the next normal", has to be created by talents in an ethical manner. The future sustainable economic development depends on a total reshape of the relation with human resources and environment. Models of identifying, keeping, recalling and loyalty the talents are the starting points of renew the business management and the leadership.

Keywords: *ethic leadership; talents; job tenure; education; performance.*

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1. Introduction

The new society is build based on knowledge and innovation and the globalization process created a very competitive environment for all companies. Gaining a new market, finding best suppliers, increasing the customers number are few of the main concerns of the business leaders.

Obtaining the highest profit, could be an aim for the companies that creates a rapacious behavior on the market. Talking about business ethics looks at firs site contradictory (oxymoron), the main perception about business being of an entity asking for higher prices possible no matter costs or real value, spoiling nonrenewable natural resources, polluting and destroying the environment, exploiting the labor force to the maximum and so on.

Leaving in the era of knowledge, customers are more and more educated and their expectations are not only about the product, but also about the process of product production. Understanding the sustainable business the business ethics should be considered from all corners. As it is conceptualized by Crane, Matten, Glozer and Spence [8] shareholders, employees, consumers, suppliers, competitors, civil society, government and regulations are the mirrors of the business ethics.

A second dimension of the business environment under the globalization process is getting the skilled personnel and offering the lower wages. Considering the free mobility of labor force in the European Union we are interested to find out if beside the wage, work conditions, life style there are some ethical components in attracting the talents (high skilled personnel).

2. Problem Statement and research question

The phenomena of brain drain is generated by the fact that talents are looking for jobs where they can flourish their ideas and potential. That means they are attracted by a challenging and competitive environment [19]. Among the issues identified as motivations for talents to leave their native place and work abroad are “the sidelining of complementarity and context dependency” and luck of clarifying the concept of employee in science and technology [4].

Temporary migrants with middle school education are influencing the high school enrolment and all emigrants are effecting the growth of their native regions as was find by a study of China for 25 years (1980-2005) [21]. More than this, the brain drain is negatively influencing the institutional performance of the home country [17].

In a global world the internationalization of the R&D or S&T work, the facilities and the innovation induced by the ITC revolution, the economic growth and the opportunities raised up unexpected countries generates an intensification of the flows of circulation of talents [12].

There are ways to recall the skilled labor [15], but more efficient is to find ways to keep the talents from the beginning. There are lots of strategies to attract student with high potential “unborn talents” and to offer them fascinating job opportunities [16], [29], [30].

The positive effects of the talents on the socio-economic environments are indisputable and this is the main reason of international fight for attracting those [9], [23], [24], [5].

It is obvious that there are a lot of changes on the business approach and strategies, one of the aim being to attract talents and the management has to adapt to the AI era, to promote an ethical leadership, to cooperate with the academic environment [2], [31]. To successfully lead the business in the actual technological and knowledge driven economy the leadership has to develop himself to the new challenges [14], [28].

Management to address the requests of the talents must be responsible, flexible and creative [10]. The new leader must be a good leader and it has to be both an effective and a moral person to achieve the status of an ethic leader [11]. Ciulla [7] analyzed the key issues of ethic leadership and one of the key aspects is interdisciplinary and multidisciplinary approach.

Figure 1 Potential factors of talents attraction to jobs in KIA

Source: authors' representation

In our study we considered the regions of European Union at the NUTS 2 level to explore potential components of an attracting talents model and the link with ethic leadership. The highest skilled persons are attracted, in our opinion by the technology and knowledge intensive sectors. The talents are attracted by the companies that are considering the “people-first” and are the leaders understand that the talents are the value creators [6]. An ethic business and company behavior is dependent on a person that are acting according to several coordinates as they are identified by Sternberg [27] and this has to be the leader. So, we explore the employment in technology and knowledge intensive sector to see if they uniformly distributed or regionally clustered. This main dimension could be dependent on the population aging, tertiary education and science employee, training participation and job tenure.

The main research question is: There are potential correlations between the employed persons in technology and knowledge intensive sectors in EU based on a spatial regional perspective?

4. Research Methods

In the study were considered the regions of European Union at NUTS2 level to have a regional distribution perspective. The spatial analyse at NUTS2 level considered 28 EU countries organised in 254 regions.

From the Exploratory Spatial Data Analysis – ESDAtools we use the “Choropleth map” technique, with the Jenks natural breakdown intervals classification scheme, from the Arc Gis 10.2.3 Software. Among the ESDA tools, ArcGis provide as Choropleth maps options Natural Breaks (Jenks), Equal Intervals, Quantile, Standard Deviation, Unclassed and Manual. The classification schemes are differentiated according to the data classification algorithm allocation, respectively the rule for assigning the data in an interval and represent it in a map with different shades of colors. The values from a continuous field are distributed in classes, where each class have a unique color and cover the polygons that represent the regions. The univariate classification schemes used in GIS are based on Harvey's [13] theory of classification in a spatial context and the Mitchell [20] and Longley et al. [18]. Anselin [1] points that Jenks Natural Classification Scheme have the specific feature the algorithm of optimizing the intervals established for clustering classes. This approach allows us to emphasize the natural groupings inherent in our data. Slocum et al. [25] mention that natural breaks is a “statistical methods based on reducing variance within the class and maximizing the

difference between classes”. This method do not allow us to compare the maps between them.

The five key variables were studied using data provided by Eurostat, covering 2008-2018 period. Job tenure data were divided in four intervals: D1 - 0 to 11 months; D2 - 12 to 23 months; D3 - 24 to 59 months; D4 - 60 months or over, to be analysed if they are the same or different and their influence in attracting talents.

5. Findings

First variable studied was *Employed persons in technology and knowledge intensive sectors* and the image for 2018 shows that the talents are concentrate in small spots in Spain, France, UK, Germany, Sweden, Finland, Bulgaria, Slovakia and Romania. Except Spain the eastern countries looks less attractive and the moderate attractive is south Germany, Austria, Czech Republic, North Italy and France. (See figure 2).

Figure 2 Employed persons in technology and knowledge intensive sectors (% of total population) in 2018

Source: authors' computation with Eurostat data

The figure 3 is presenting the change of the Employed persons in technology and knowledge intensive sectors, comparison 2018 to 2008. The highest change was registered by West region and Bucharest from Romania and the lowest by a region of west Hungary and Central France. The other regions records moderate change.

Figure 3 Employed persons in technology and knowledge intensive sectors comparison 2018/2008

Source: authors' computation with Eurostat data

Figure 4. Persons with tertiary education or employee in science and technology 2018

Source: authors' computation with Eurostat data

Second variable studied was *Persons with tertiary education or employee in science and technology* as a potential indicator of talents. The picture for 2018 shows a similarity for the spot in Spain, one region in France, UK and Germany, Sweden and Finland. Unfortunately in Romania, Italy, Greece and South Spain the percentage of the persons with tertiary education or employee in science and technology is the lowest.

The comparison of 2018 with 2008 do not show significant changes except Austria and a region in South France and one in South Poland with highest rate of change

Participants' rate in education and training is another variable we explore for the model of talents attraction and the picture at 2018 shows that Sweden and Finland and two regions in France are at a high rate.

Figure 5 Participants' rate in education and training in 2018

Source: authors' computation with Eurostat data

The Eastern European Countries as Romania, Bulgaria, Poland, Hungary, Slovakia, Macedonia and Greece and South Italy are having the lowest rate of education and training. Germany, Italy, Spain, Latvia, Austria and UK are at medium level, while Latvia and all most regions in France are at a high level.

Looking at the comparison of 2018 to 2008 we can see that the biggest changes were made in France, Latvia, and South Sweden, followed by Finland, North Sweden and North Italy.

Romania has a low rate of change, lower than the other Central and Eastern European Countries, similar with Spain, but it has to be known that Spain starts from a higher position then Romania.

Figure 6 Participants' rate in education and training comparison 2018 to 2008

Source: authors' computation with Eurostat data

Figure 7 Employment with job tenure from 24-59 months (% of total) 2018

Source: authors' computation with Eurostat data

Talents are looking all the time for a better environment to valorize their ideas, reason to not stay longer in a job position. *Job tenure* analysis shows that the contracts with duration of 2-5 years and over 5 years are attractive for talents, because they are looking for stability at the same time with a proper environment to put in place their ideas. In figure 7 is show that Romania, West Hungary and East Bulgaria are recording the highest rate for job tenure of 24to 59 months.

Figure 8 Employment with job tenure over 59 months (% of total) 2018

Source: authors' computation with Eurostat data

It could be seen that It could be seen that Romania, Hungary and East Bulgaria, respectively West and South-West Romania, West Bulgaria, Greece and Italy are having the highest rate for job tenure of more than 60 months.

Figure 9 Age dependency rate in 2018

Source: authors' computation with Eurostat data

Europe is known as 'The Old Continent' because it was the first on the map, now the name reflects the aging issue. The Nordics and the Western countries are dealing with it at a high rate compared with Central and Eastern European Countries that are having a lower rate for 2018. The "brain drain" phenomena to more challenging and competitive contracts [19] could explain, at least partially the attraction of the talents. The risk that the talents could face when they are going out of their state is the "brain waste" that means in [22] opinion that they end up on a less skilled position.

6. Discussions and conclusions

The AI revolution announced as the challenge of nowadays [3] is introducing new perspectives in terms of work, distance, human presence or assistance. It is now combined with the "path to new normal" determined by the pandemic episode that lockdown the entire economy, no matter the classic variables [26].

Based on this pictures at 2018 and the changes in the last decade we are considering to explore models that are explaining the talents options and behavior and the potential of the ethic leadership to act as a strong trigger for the talents to accept a job.

Without having the expectation of a deep study about the ethic leadership role to attract talents, we appreciate that we draw some guide lines for further studies. The education and training essentially contributes to the increase of the skills level, even if they are dependent on the prerequisite abilities of the subject. Offering a good and preformat education and training the “talents production” will be increased. This has to be correlated with the aging phenomena. So, first step is to have a large population of youth and to create a competitive selection system of the native talents. Educate them properly will generate a large population of “unborn talents”, in need for an international experience, possible through students mobilities. Post factum the challenges of the ethic leadership is recalling them and retention into organization for more than 2 years.

Loyalty the human resources, especially the talents, has to be work in progress to keep the flow with the international trends. Any way we appreciate that the training and work environment, the possibility of self-development and self-expression are elements of attracting talents. Further developments is to determine models of ethic leadership as trigger of talents attractions, coordinates of the work environment.

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