Changing Managers for a Changing Economy – The Need for Creativity and Leadership

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Abstract

The present paper aims to identify new approaches of management by re-considering business comportment and attitudes. The research looked into specialized literature on new development of business in the post-crisis era and, on another hand, on leadership and organizational culture, in order to establish a possible profile of the most efficient management and organizational culture adapted to the new challenges of business environment, intending to demonstrate that managers need to develop leadership traits and re-shape organizational culture for a better business performance.

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Keywords: creative management; leadership; organizational culture; work attitudes.

1. Introduction

New times require new approaches. An attempt to define the dynamics of the economical context that we have to deal with should consider key-terms such as: dramatic change, internationalization, globalization, higher performance standards, technological boom, international financial flows expansion, development of powerful economical centres and rapid reconfiguration of the global wealth distribution, new economical and social models, expansion of workforce mobility, increasing competition and increasing financial, economical and social risk, even instability.
Apparently, the perspective is not the most optimistic one for business in the global, European or the Romanian economic context. In fact, the post-crisis situation does not refer to a lower business dynamics, but to major changes in approaching business. A more difficult crisis, in 1930, brought us the famous words of Franklin Roosevelt - "Only Thing We Have to Fear Is Fear Itself".

As outer conditions dramatically change, there is no option for influencing the business environment, so the only choice of management remains searching for solutions in adapting inner conditions in order to provide performance of the company. The solutions are to be found in searching for new competence of the company or in developing latent powers of the company, the "real core of company competence", by identifying strategic discrimination and creative instinct. (Friedman, 2006)

2. Surpassing the Crisis

The financial crisis of 2008 is the origin of the global economical context we are facing today. In spite of the ample discussion generated by this economical phenomenon, this is not the most dramatic crisis, nor the most unusual crisis ever registered. It is the cyclic nature of economical evolution that has generated this crisis, which will be surpassed as any other previous crisis has been, by business sectors strongly emerging. So, the financial crash of 2008 in the United States of America, generated by the economical boom of 1980 is rather simple to explain, being born by the excess of financial flows that could not be immediately spent by economy as well as the cheap money and the inherent speculation. Unfortunately the damage was global and Eastern Europe was affected not only due to the political instability and economical weakness of the region, but also due to the appetite for speculation on world monetary markets (Friedman, 2011).

As the crisis was determined by the tendency of minimizing risk wrongly assuming that certain high prices (real estate) would not fall, it accordingly generated important social costs and political costs, by redefining relative positions of states and corporations, by lowering autonomy of the markets and weakening the financial elites, especially in Europe. This might be the main lesson for the future evolution of the European economy – the most important effect is to be searched for in geo-politics and politics and not in economy or business. As the European Union is an economical union and not a political union, effects of the imported American crisis will have a different impact on Europe: an economical union serves economical interests and economy aims to enhancing prosperity.

More than that, business threats are to be compared to other similar historical situations in order to evaluate further evolutions; data provided by Friedman (2011) allow to predict a shorter recovery compared to the Great Crisis of 1930: GNP of the United States of America had then fallen by 50% compared to only 4,1% in 2007-2009; when comparing this crisis to the recession of 1970 and 1980, the quoted source provides data about a triple shock registered during this American recession – unemployment and inflation exceeded 10% while mortgage interest rates exceeded 20%.

When recession hit Europe, taxes flows lowered and social services needed credit coverage that generated not only social and political tension but also weakening of Euro as well as weakening of national currencies, which led to more expensive imports and cheaper and more competitive exports. This might be another lesson for the future economical evolution – under such circumstances, consumption is diminished, but employment rates might be pushed upwards.

Still, work styles as well as working environment might need serious re-shaping. Success is no longer individually achieved; strong teams are the winners of the present economy and such teams have to be highly functional. The performance criteria of a successful team have been studied since the challenges of the crisis seemed to be far away. An interesting study was created in 1981 by R.M.Belbin, considering distinctively functional roles and team roles of the members (Hogan, 2007). The model is based on a nine-years research of management teams and it refers to efficiently using human personality in continuous re-shaping of teams (as people tend to migrate towards informal roles according to their personality) and to the importance of balancing these roles in order to maximize team performance. A balanced team should cover a wide range of responsibilities by best use of different personality traits of the members. Such a team modeling proposition is valuable not for providing information on which or when might be the required human typologies, but for efficiently attributing roles to the team-members and providing the best results of the compatible teams, clearly influenced by different personalities, as shown in Table 1.
Table 1: Team Roles according to R.M. Belbin

<table>
<thead>
<tr>
<th>Role</th>
<th>Characteristics</th>
<th>Strengths</th>
<th>Affordable weakness</th>
<th>Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>Calm, confident, self-control</td>
<td>Task-oriented, evaluates contributions</td>
<td>Average creativity and intelligence</td>
<td>Clarifies goals</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Identifies problems and priorities</td>
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<td></td>
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<td></td>
<td>Defines roles</td>
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<td></td>
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<td></td>
<td></td>
<td>Clarifies disputes</td>
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<td></td>
<td></td>
<td>Identifies roles, tasks, responsibilities</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Strains group performance</td>
</tr>
<tr>
<td>Programmer</td>
<td>Dynamic and expansive</td>
<td>Energetic, willing to expand group performance</td>
<td>Impatient and irritable</td>
<td>Generates ideas and solutions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Criticizes ideas and solutions</td>
</tr>
<tr>
<td>Ideas generating</td>
<td>Individualistic, prominent</td>
<td>Clever and imaginative</td>
<td>Unpractical, disorganized</td>
<td>Analyses and clarifies problems</td>
</tr>
<tr>
<td>member</td>
<td></td>
<td></td>
<td></td>
<td>Evaluates others' contributions</td>
</tr>
<tr>
<td>Evaluator</td>
<td>Serious, moderate</td>
<td>Unobtrusive but obstinate</td>
<td>No leadership qualities</td>
<td>Brings in outer ideas</td>
</tr>
<tr>
<td>Negotiator</td>
<td>Extrovert, curious, communicative</td>
<td>Able to build relationship</td>
<td>Easily getting bored</td>
<td></td>
</tr>
<tr>
<td>Team member</td>
<td>Rather weak, but pleasant</td>
<td>Responsive, promoting team spirit</td>
<td>Irresolute during crisis</td>
<td>Punctuates closing of a task</td>
</tr>
<tr>
<td>Performer</td>
<td>Conservative and predictable</td>
<td>Organized, disciplined, industrious</td>
<td>Inflexible, opposing change</td>
<td>Promotes seriousness</td>
</tr>
<tr>
<td>Finalizing member</td>
<td>Tidy, thorough, anxious</td>
<td>Perfectionism</td>
<td>Worried about details</td>
<td>Identifies errors</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Focused, good planning abilities</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Co-operative</td>
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<td></td>
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<td>Develops others' ideas</td>
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Source: Hogan, R. (Personality and the Fate of Organizations)

The working force as well as the management of the company needs to quickly adapt to important shifts in the business philosophy of the company and perform fundamental changes such as being able to act at higher business levels, rapidly shifting towards new collaboration opportunities in order to reach new objectives, to get used to act globally even if the company profile never fitted such a profile before, or adapt global companies to operate also at local levels (Friedman, 2006). The most important goals of the adapted company should thus focus on customers on collaboration, whether collaboration refers to external business environment of the company or inner competence of the organization.

3. Creative management and organizational culture

New business contexts need new rules. There has been research concluding that such rules might refer to limiting to the lowest acceptable minimum the sets of norms and procedures, as studies have determined that excessive regulation of processes might suffocate creativity and innovation. Excessive operation ruling usually is completed by adequate monitoring which generates an important amount of documents. The best result of such organizing of processes might, to a certain extent, determine staff to obey a strict routine in order to avoid mistakes that should lead to unpleasant consequences. The worst scenario for such a situation might be an eventual faking of
documents and books and a doubtless low motivation of the human force of the company. More than that, due to fact that staff will focus on rules conformity the main purpose of work will suffer, which is achievement of the main objectives of the organization. The immediate and most important effect will be lowering of production and/or quality, which will lead to the need for rules in order to improve quality and/or production levels. Such a regulation cycle is presented by Figure 1 (Makin and Cox, 2004, p.212)

<table>
<thead>
<tr>
<th>Bureaucratic rules</th>
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<tr>
<td>Rules compliance-based reinforcement.</td>
</tr>
<tr>
<td>Concern about the rules</td>
</tr>
<tr>
<td>Creative avoiding of rules compliance</td>
</tr>
<tr>
<td>Lower motivational levels</td>
</tr>
<tr>
<td>Lower results, lower productivity</td>
</tr>
<tr>
<td>Management decision for more rules/better rules</td>
</tr>
</tbody>
</table>

Fig. 1: Effect of excessive rules  
Source: Makin, P., Cox, Ch.: (Changing Behaviour at Work, p.212)

Such strictly-regulated organizational cultures will never be creative and innovative, thus, companies nurturing such organizational cultures might not successfully adapt their operations to the dynamic and flexible profile of the modern organizations aiming to success. According to Eliott Jaques (1951), one of the first definition of organizational culture refers to the usual or traditional ways of doing things, which are, to a certain extent, shared by all the members of an organization, all new members of the organization having to learn or at least accept in order to be accepted to work for the organization (Makin, Cox, 2004).

According to this definition, the organizational culture is not part of the formal rules of the company, thus being impossible to change organizational culture by means of regulation, by establishing or changing rules; it is impossible to deliberately shape organizational culture, by thorough planning and implementing clearly defined and stated changes. The only way such change might appear is a subtle, long-lasting process. Still, given the circumstances of such a dynamic business environment, flexibility, cooperation, creativity and vision are vital for organizational competitiveness. Thus, shaping organizational culture in order to provide a creative, co-operative, flexible and dynamic workforce, able to generate and implement solutions for the challenges of the business becomes a priority for the management. This is why the most suitable way for re-shaping organizational culture is a multiple-steps approach – comportments that are intended to be changed have to be clearly defined and the staff awareness of these new comportments will allow complete involvement in the process, leading to changes not only in comportments, but also in attitude.

Strategy being one of the most important issues for the company, defining strategy will prove of major importance. Changing business requires for changing attitude, thus organizational culture should adapt first of all by full awareness upon the direction and purpose required by the intended change. It is of great importance that stating new direction and new purpose for the organization is very clear and precise, providing clear and measurable
objectives. The better this statement will be formulated, the more adequate the organizational feedback will be – bringing to life values of the company leadership and thus generating purpose and direction of the cultural change.

When the top-management of the company is obviously dedicated to organizational change, and when this commitment is perceived by the workforce of the company, a top-down shifting in the organizational culture will be inevitable. Moreover, senior managers should prove consistency in adopting the new directions, even enthusiasm in their actions subordinated to the new culture. Such change in the organizational culture should nevertheless be sustained by organizational structure changes, reporting procedures, management styles - new procedures will help people gain awareness of change and thus develop new comportments.

Finally, for a smoother transition towards the new organizational culture, bringing in new members who are already aware of the values and who are familiar with the necessary organizational procedures and practice will bring force to the process of change. Meanwhile, those unable to adapt might look for new opportunities so the process will eventually adjust by means of individual attitudes implying individual reaction. Of course, not hiring and releasing people is the solution for changing the attitude inside the company – training, intense personal development, properly-chosen formal communication, counselling programs, will help improving staff attitudes, beliefs and actions.

The organizational culture providing better adjustment is to be identified by highlighting needs and resources, as well as purpose and means. The power-oriented culture will focus on a powerful leader or a team able to flexibly coordinate the organization: decisions adopted at the top-management level are promptly implemented, due to efficiency of valuable employees. Such an organization should be flexible, properly reacting to changes in the business, by means of creativity and initiative which are supported and encouraged by management, as there is a certain risk that such an organizational culture might lead to an excess of power, even autocracy. On the other hand, if rules are important in developing power and hierarchies are clearly defined, than enforcing this role-orientated organizational culture will never nurture innovation – numerous rules and procedures will increase bureaucracy and staff will tend to strictly obey regulations in order to ease their work as well as their access to reward of the effort, which will suffocate initiative and constructive collaboration.

More creative working environments, performance-oriented culture and people-oriented culture might prove to be a beneficial shift. Focusing on performance means focus on the impact the company produces on the business environment, implying necessary focus on innovation, revolutionary products and new services. Such a cultural orientation will bring the development decision inside the company, even if considering outside values of the society, these will not be crucial for the development of the company. This will enhance new ideas and creativity – human resource is encouraged to provide new ideas, even if this means allowing people to develop personal projects, meanwhile, which brings strong intrinsic motivation.

When shifting organizational culture to focusing on human relationship, a double benefit will be reached: customers' needs will be a major priority of the company, while positive attitude of employers will result in strong motivation based on the fulfilment of their needs. Very useful approach when the company provides mainly services, this organizational culture allows individuals to feel valued – whether these individuals are customers or employees and collaborators. Friendship generates friendship, positive attitude will generate a warm and thus productive working environment – appreciation will return not only from satisfied customers, but also from inside the company. People work better together when they collaborate, instead of competing, when they trust each other, which allows them to be open to each other. This should be an important issue especially during changing times, when suspiciousness tends to increase and communication dramatically diminishes, leading to replace collaboration by unproductive inner competition.

A more friendly work environment will generate not only positive attitude and creativity, but real benefits for the company, in terms of innovative development and productivity. People should be allowed to freely evaluate, within the conditions of the organizational culture, and constantly monitoring and support from management should develop the new working abilities of personnel. As it is obvious that it takes a lot to recruit and maintain top talent, valuable employees usually drive the entire company forward in ways that are worth considering. Advancement and reward is not necessarily an issue for these valuable human assets, because they understand the power of cause and effect, and only a worthy company can retain them and afford them. There are a few characteristics of a powerful workforce that should be aimed at and strongly supported, such as (Daum, 2013):
They understand they're part of something bigger and more worthwhile than just their job. They look to learn other areas of the business and they might become experts in finance or management and so they'll positively impact multiple areas of the company. Management should consider seminars on business basics (marketing, accounting, management), so that all employees to have easy access to learn and grow.

Such employees may treat the company as if it were theirs: they try to make prudent decisions about expenses and opportunities with the long-term future of the company in their mind; they easily assess risk vs. reward when making business decisions. The management should be aware that sharing the philosophy, vision and even strategy will allow employees to make better decisions.

Friendly working environment promotes and develops better human connections at work; better connections between people working in different divisions will allow strong networking and company growth will be immediate consequence of the collective, synergetic effort of people able to keep their eyes open for ways to more than pay for themselves. This can only be possible if all the employees understand the values and development directions of the company and if such efforts have been clearly rewarded.

If management is able to communicate a clear written vision of where the company is going and encourage initiative, then people will feel safe and empowered to make change; thus employees will always work to improve systems proactively, and they will eventually do improve systems.

If management is able to nourish open communication and people are not only given permission to tell the truth, but also absolutely required, then people understand that hiding bad news is of help, so, they might find appropriate ways to bring uncomfortable information to the surface – to be brought to the surface. People have to know what is to be done, before any major damage has occurred.

People who work in a challenging, yet friendly environment not only drive their own career but they inspire others to do the same. These employees lead by example in how to advance, and thus bring others along. Career advancement does not come naturally; it should be encouraged by management, as people will grow only by dedicating time and effort for learning and creating.

More than that, a good employee will proactively explore options, take action and then improve without direction from the top, quietly driving their own high standards. As a consequence, such people understand the dynamics of people, stress, and the blend of work, life and friendship. They are self-aware and able to direct their own path that brings out their best with family, friends and career. They exude positive energy even in stressful times and share it around which will generate and maintain positive thinking and a friendly working environment.

Re-shaping of the organizational culture needs a strong leadership of the top management; providing vision, clearly communicating vision provided, commitment and enthusiastic approach of new directions of evolution, providing attitudinal and behavioural models is the essence of leadership.

4. The need for leaders

The new economy needs new managers. The present approach does not intend to decide whether managers should be replaced by leaders, nor to prove superiority of leaders compared to managers, but to bring into attention the need of managers to adapt their conduct, by improving their leadership.

This implies a brief definition of leadership, referring to what managers actually do in order to support the group in reaching objectives. The managerial functions involved refer to defining tasks – providing clear stating of things to be done – process management – defining rules and procedures and providing achievement of their performance – managing limits – in terms of representing the managed group – and development of the group – development and involvement of entire human resource within the managed group.

As the main issue considered is concerning the way that leaders and managers approach their work, a few important differences were highlighted by Makin and Cox (2004), based on Zaleznik's approach. Such differences refer to relationship, objectives and vision of own work. Thus, referring to relationship, managers tend to be more conservative, working by means of the system and they consider more their role constraints, while leaders prove to be intuitive and empathetic, choosing direct communication and accepting higher risks. While managers define their objectives according to the organizational needs and tend to focus on strategy, leaders define their objectives according to own values thus using strategy in order to provide reaching such objectives. As far as their own work is concerned, managers value traditions, being analytical and methodical, they focus on control and identify themselves...
to the organization, while leaders are permanently in search of change and new ideas, proving to be intuitive and independent, thus encouraging autonomy.

As the most important of the manager roles - as these have been defined by Minzberg (1793) – refer to human interaction within the group, managing information and decision-making, the new manager should need to develop a better leadership which might improve performing of seven managerial roles out of the ten defined by Minzberg, which are: interpersonal roles – representing, guidance and human connection, informational roles – information dissemination and spokesman, as well as decision-making roles, such as negotiating and tension-solving roles.

Powerful leadership has increased performance in companies that have made history in business. Virgin Direct, the financial branch of Virgin Empire has even created a "Performance Diagram" meant to allow the managing team to self-asses their performance, by means of weekly mutual analysis (Dourado, Blackburn, 2005). Leadership comportments expected from the managers, according to this Performance Diagram refer to: having and sharing vision, loyalty, honesty, supporting people, being open and pro-active, proving they are able to listen and understand before answering, providing guidance and challenge to their staff, being positive and constructive, proving agreement and conformity – no conflicts and inconsistency – as well as discipline, to communicate on regular basis, to show respect and trust, to be professional, to show sturdy thinking and planned approach and to be a pleasant person. Each of the 20 items on this diagram is mutually evaluated by each of the three top-managers of Virgin Direct, on a scale of 0 to 5, which leads to a score and allow corrective measures.

So, improving the leadership of managers refers to improving management abilities required in human interactions and the impact of the manager on the organizational culture. Thus, better human interactions might lead to better feed-back, better information, better decision-making processes – at multiple levels – and, consequently, better business. Research is a priority for managing any type of business – research involves gathering information (either financial data, or production data, or service data) which cannot be gathered exclusively by reading reports or revising financial books of the company. Monitoring business activities is accomplished by such continuous research; in order to prove efficiency, such monitoring should be completed by correct evaluation and such evaluation has to be clearly stated and communicated to all those involved. The managerial decision-making process thus involves not only receiving feed-back, but also providing feed-back, in terms of awareness of performance, correct evaluation, and proper communication of consequences. Thus, managerial activity is to be considered also in the area of instruction, research, providing feed-back to the human resource involved in the processes operated by the company, which leads us to the idea of continuous interaction of the manager and the human resource of the company.

Managers will thus have to develop new skills, new attitudes and new "routines" – they have to anticipate, identify and implement change. In the continuous research of the future, managers need to continuously develop, to naturally adopt the kaizen philosophy, meanwhile being able to act in the present without ignoring perspective, being permanently informed and creating valuable connections, not only outside the company, but mainly inside (Eppler, 2006).

Correct human interaction sets a strong foundation for a more productive organizational culture. Creativity, innovation, motivation will never coexist with drastic rules, impersonal supervising of processes, bureaucracy, lack of cooperation and communication. Establishing of a new organizational culture, promoting creativity and innovation starts with improving communication, developing productive human interaction, setting flexible standards and sharing not only vision but also results – this process requires complete involvement of management and a new approach in terms of work relationship and hierarchies.

5. Conclusions

Organizations need to gain awareness on the situation that, given the business environment circumstances, change is inevitable and it has to happen inside the company, too, if survival or success is to be achieved, in spite of the changing business conditions. Changing the inside of a company is a delicate and long-lasting process and people are to be supported and encouraged to change themselves, by own effort – training, personal development, shifting work relationship from competition to co-operation. Change is not something new (as Winston Churchill once wrote, improving means changing) only the speed of changing that we face is really new. Management has to face change
by changing attitudes and work style – employees have to be supported in anticipating and understanding change, in developing strong and creative teams, instead of valuable individuals.

The most important function of a modern company is to find and develop customers. As the most typical restraints of a company are generated either by customers (exceeding demands, unstable relationship) or by the market (technological tendencies, short life of products, prices), the inner force of the company should never allow conservative attitudes, rigid approach of success/failure, which means the continuous need for inspiration, creativity and innovation is a must for the successful post-crisis company.

Post-crisis management should not only focus on customers, but also be very attentive to new and potential clients; this is not a new idea, but a different approach adapted to the new business environment should consider not only the present position of customers, but mainly their future needs or expectations. Looking for new business opportunities does not mean that present clients will be satisfied with products and services already provided, so the entire creativity and innovation effort is to be oriented towards new directions – creativity and innovative products/services is equally required in order to maintain and develop existent business connections. As this is the main objective of a company, management should facilitate such processes by encouraging and facilitating development-oriented organizational culture. The productive, innovative and pro-active spirit of the team will provide better responsibility, better understanding of the impact that staff performance brings on the company performance; thus, responsibility will be defined in terms of results, instead of being defined in terms of obligations and creativity will be naturally rewarded.

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