

**MANAGERIAL STRATEGIES
AND
ORGANISATIONAL CULTURE**

NEW CHANGES IN ORGANIZATIONAL CULTURE IN THE CURRENT BUSINESS CONTEXT

Dina Maria LUȚ

***Abstract:** We are living in a VUCA world: volatility, uncertainty, complexity, ambiguity. In this context, the managers are responsible for the lion's share of the decisions about the parameters that define how the organisation can operate. The increase in volatility, uncertainty, complexity, and ambiguity means that to seek new orientations and take a fresh approach to management. Only then it can guarantee positive results in changed circumstances. The organizations are going through a series of structural, relational and existential transformations generated by multiple factors. This paper shows the main problems facing current organizations and also organizations' reactions to the challenges they face.*

***Keywords:** organisational culture, pandemic crisis, VUCA concept, hybrid work, labour market*

INTRODUCTION

More and more organizations are going through a series of structural, relational and existential transformations generated by multiple factors: the pandemic, profound changes in mentality and human needs or technological evolution. Regardless of the source of the change, it has a cascading effect on companies and individuals.

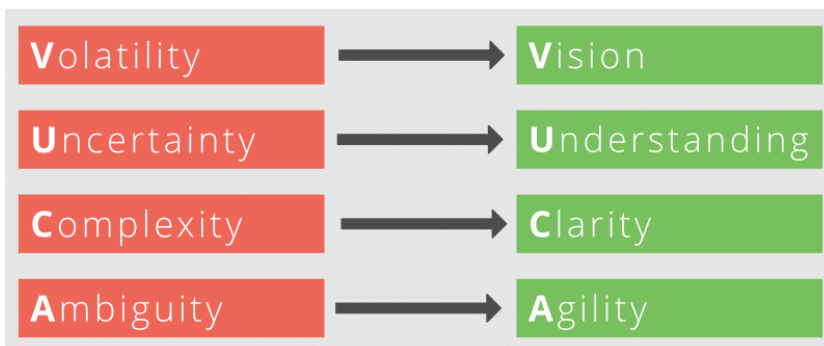
As the futurist Gerd Leonhard observed, we are living in a VUCA world: volatility, uncertainty, complexity, ambiguity¹. What does the VUCA concept² mean:

¹ <https://www.futuristgerd.com/2020/01/how-will-we-remain-useful-humans-a-longer-post-on-the-future-of-work-jobs-education-and-training>;

² VUCA is an acronym (artificial word), first used in 1987 and based on the leadership theories of Warren Bennis and Burt Nanus, and stands for Volatility, Uncertainty, Complexity and Ambiguity. It was the response of the US Army War College to the collapse of the USSR in the early 1990s. Suddenly, there was no longer the only enemy, resulting in new ways of seeing and reacting.

- **VOLATILITY:** We live in a world that's constantly changing, becoming more unstable each day, where changes big and small are becoming more unpredictable – and they're getting more and more dramatic and happening faster and faster. As events unfold in completely unexpected ways, it's becoming impossible to determine cause and effect.
- **UNCERTAINTY:** It's becoming more difficult to anticipate events or predict how they'll unfold; historical forecasts and past experiences are losing their relevance and are rarely applicable as a basis for predicting the shape of things to come. It's becoming nearly impossible to plan for investment, development, and growth as it becomes increasingly uncertain where the route is heading.
- **COMPLEXITY:** Our modern world is more complex than ever. What are the reasons? What are the effects? – Problems and their repercussions are more multi-layered, harder to understand. The different layers intermingle, making it impossible to get an overview of how things are related. Decisions are reduced to a tangled mesh of reaction and counter-reaction – and choosing the single correct path is almost impossible.
- **AMBIGUITY:** “One size fits all” and “best practice” have been relegated to yesterday – in today's world it's rare for things to be completely clear or precisely determinable. Not everything is black and white – grey is also an option. The demands on modern organisations and management are more contradictory and paradoxical than ever, challenging our personal value systems to the core. In a world where the “what” takes a back seat to the “why?” and the “how?”, making decisions requires courage, awareness, and a willingness to make mistakes.

VUCA



(<https://www.microtool.de/en/knowledge-base/what-does-vuca-mean/>)

The VUCA concept is more current than ever. Neither an organisation's leadership nor its strategies are spared in today's VUCA world. Experiences, dogmas and paradigms must all come under scrutiny; it is no longer a case of finding the one way or the management tool: standards give way to individuality.

In this context, the managers are responsible for the lion's share of the decisions about the parameters that define how the organisation can operate. The increase in volatility, uncertainty, complexity, and ambiguity means that to seek new orientations and take a fresh approach to management. Only then it can guarantee positive results in changed circumstances.

CHALLENGES OF CONTEMPORARY ORGANIZATIONS

According to specialists, the main problems facing current organizations could be summarized as follows: inability to decode their culture, unrealistic expectations for the future, and the wrong choice of leadership profile that would lead to significant and healthy organizational change.³

The danger of these pitfalls is more threatening today than ever before, being more prone to emotional decisions and strongly influenced by the short-term outlook.

1. One of the biggest problems of most organizations today is *the inability to honestly and critically evaluate their organizational context*, inability to recognize and be aware of their culture and organizational climate, organizational confidence, level of involvement and loyalty of its employees.

Any organization that believes itself more than it really is becomes crushed by its own idea of its superiority in everything and everything, and in the end is doomed to failure. And, not coincidentally, fundamental organizational failure is nothing more than falling into the abyss of incompetence and mediocrity,

The myopia of many current organizations is a cultural model that promotes mediocrity and incompetence well hidden in the mechanisms of concealment and falsity, diseases that come directly from the "illusion of superiority." The common mistake is, in organizational practice, the confusion between the existing culture in reality and the culture that is intended as ideal.

³ Tomas Chamorro-Premuzic, Clarke Murphy, „*When Leaders Are Hired for Talent but Fired for Not Fitting In*”, Harvard Business Review, June 14, 2017.

Today, most companies, through their managers, present themselves as customer-oriented, innovative, entrepreneurial, focused on productivity, valuing diversity of any kind, oriented towards their own employees, etc., but, in reality, most of the the people of these organizations, especially those at the operational level, perceive and describe them completely differently. Now is the time, in the current context, to understand that it is not the aspirations of top managers and their enthusiastic speeches that express the essence of organizational culture, but the beliefs, habits and experiences of their people.

From this rupture between the perspective of managers and that of employees are born many of the organizational pathological diseases, dominated by confusion, and the complete and final loss of contact with the reality of the market. But, most of the time, we are dealing with “normal”, mediocre organizational models, characterized by the inability to decipher oneself, the inability to learn and to improve oneself.

Naturally, all these organizations have great difficulty in choosing leaders to alleviate their suffering. This is because mediocrity and organizational incompetence are learned quickly, they reach even the highest positions, they are perpetuated at all hierarchical levels, grinding everything that is above them. The only antidote for these organizations is shock therapy, crisis, radical change, at least a substantial part of the leadership, etc., this change could make them open to a rigorous evaluation and coming from outside the organization.

2. The entire philosophy of the management of the organizations is oriented towards the projection of a future in which the company will occupy a superior position, a reference position, a leader of the field, industry, etc. This is also the main reason why the mission of leading organizations is to fight mediocrity and incompetence and to win. Of course, any for-profit company cannot neglect its present, its well-being or, in extreme cases, its own survival. But it goes without saying that an organization can assume certain periods without too much profit or even certain losses, investing in the future.

The principles of business philosophy are well established, within these limits. Any organization that loses confidence in its future is a declining organization that expects nothing good from the sun. And yet, ***a second big trap for countless organizations today is their own self-limiting, short-term perspective (often up to 12 months)***. This is where most of the fundamental organizational mistakes, which are chained together, come from.

Even if declaratively, almost all companies have a long-term strategy (3-5 years, 10 years or even extended over an entire generation), in reality,

very few act beyond the 12-month operational projection. And often this is not just about executive management, but about the priorities set by investors and / or the board of directors.

And if the prospect of change and development of the organization and business is not realistic, all the objectives and projects that should lead to the disciplined execution of the strategy and implementation plan are turned upside down: starting from what kind of organization and culture is desired as ideal (and regardless of what it is now), how to make the change (from top to bottom) and, of course, the speed with which things need to be done, the executive leadership profile that seems appropriate for all this, but without having a team with which to make the change etc. These are just some of the mistakes that can have a dramatic impact on your entire organization.

3. Practice shows that most organizations mistakenly choose their leaders⁴, obviously according to well-established classical criteria: to be charismatic and visionary, "providential heroes" who reshape the organizational structure and culture from top to bottom. And this must happen very quickly. And once they have made this decision, investors and boards think they have finished their role. It's just that it's not like that. The hardship is just beginning, their involvement and support for the implementation of the development strategy are not negligible in the equation of success, and the continuous definition and redefinition of realistic expectations from the executive management and the organization are mandatory.

Unfortunately, most of the time, all these things require consistent investments of time and money in the long run, and this is contrary to the interest of most investors: maximum profit in the short term. That's why, in most companies, the position of CEO has changed to that of COO (Chief Operating Officer). The life of a CEO is not easy. And yet, these are well-known things and additional reasons why all those in the executive position have the role of convincing the top forum about the development strategy (of the organization and the business): to build realistic expectations, to constantly show that the agreed direction is followed and what are the deviations and delays etc. It is easy to understand that these activities do not require "heroic" courage, but rather a well-established, mature management with a lot of patience...

Even if the CEO seems fit at first sight, visionary and charismatic, honest, competent, with the best intentions in the development of the organization and business, let's not forget that the remodeling process is very

⁴ <https://www.mckinsey.com/business-functions/people-and-organizational-performance>

long-term (begins to -produces results after at least two to three years), often painful, with many setbacks, with a negative impact on employee morale and productivity. Of course, this requires a lot of patience, calm, self-control, rigor, analysis and calculated risk-taking from diplomacy, diplomacy.

But even with all these qualities, he alone will not succeed. The success of reshaping the organization will depend on building the leadership team to implement change at all levels of the organization. And this also requires a lot of time, meetings, meetings, projects and plans discussed in detail, attention to the rigorous execution of all activities, feedback and stimulation at the individual level, etc. In other words, a heroic, visionary and charismatic leader, competent and armed with the best intentions, has all the chances to, in a short time, come to the conclusion that he is fighting the windmills and exhausting his resources. motivational.

The prediction of the performance of the future executive, of the success of the remodeling of the organization, is, to a large extent, dependent on the new organizational context. Its coordinates are given by the perspective and expectations of shareholders, the structure and culture of the organization, the expertise, values and attitudes of the management team, the level of education, skills, performance, etc., the degree of involvement and motivation of employees at operational and functional level. The business model is essential in defining the context of performance and can be very difficult to decide on the right candidate. At the same time, we have some external coordinates that have a significant impact on the context of the future executive's performance: the economic state of the market (stagnation, growth, crisis), customer loyalty and perceptions, competition strategies, etc.

And, as is natural, there is no ideal candidate who meets all these criteria. The measure of matching a leader with the remodeling of the organizational context, with the development strategy of the company, results not only from his experience and expertise, but especially from his values and motivations, from his ideal and aspirations. Sharing the ideal, the values of the new cultural model and the correct motivations of the executive will bring him the necessary dose of authenticity, consistency and consistency in his efforts and will help him not to lose his enthusiasm in today's troubled times.

We can imagine what happens if an organization chooses a leader with values and motivations that are significantly different from those of the current organization and not exactly suited to the goals of organizational reshaping... Any change (replacement) of an executive leader is a situation of organizational crisis, being lived very intensely by the whole

organization, at all its levels. Crisis and change management are key to a successful transition. And any newly appointed CEO should know that, from day one, they need to create the right framework for change, to put the organization in a good position for future long-term construction.

The direction (orientation of the organization towards the future) and the principles on which it is based in this new construction are fundamental for a minimum consensus to which a significant part of the employees adhere. And without their involvement, the success of organizational change is suspended.

The trap of the short-term perspective is waiting, without patience, for its victims, many in number, all those who, willingly or unwillingly, transform their mission from CEO to COO. So let's not forget that the new leader's biggest mistake is not to change anything in the way the organization works and to fulfill its operational objectives. This means a serious deviation from its primary mission, the development of the current organizational capacity to make the most of the opportunities of the future.

But even if he is dedicated to his mission, he alone will not be able to define the new construction. It needs a management team with which to operate the structural changes, to stabilize the construction on unshakable pillars. And if investors and / or the board of directors opt for the operational results of the business over the strategic ones, because they value the short-term profit more than the growth and capitalization of the long-term business potential, the CEO's mission is "to fight with evil and to win "for the future organization to enjoy the midday sun. And the current organizational evil is generated precisely by the lack of a suitable context for future transformations, the lack of long-term perspective of the business, the lack of organizational coherence and consistency, the lack of trust and consensus among employees.

The top management of the organization has to assume and create such future expectations. And yet, countless organizations are trapped in their own immediate prospects and are stuck in their current project, proving helpless in redefining the "organization of the future," realistic expectations, the process, methods, and costs involved in making change. And, from this state of numbness induced by a certain success, he projects a leader profile that will satisfy their self-image inflated with heroic ideals.

ORGANIZATIONS 'REACTIONS TO THE CHALLENGES THEY FACE

The major goal of the organizations has been and will remain the same for a long time: to develop the organization as close as possible to its

maximum potential (including the creation of new capabilities) to achieve significant increases in business performance and profitability. And an organizational context (especially a healthy organizational structure and organizational culture) that capitalizes on the intellectual and emotional, creative and imaginative potential of employees is absolutely necessary.

As the future unfolds, more and more companies are interested in applying the principles of an agile and flexible organization, which has interesting ramifications. This model flattens the hierarchical pyramids by eliminating middle-management lines, streamlines decision-making processes, and empowers employees.

Therefore, we are witnessing the modification of hierarchical structures, in the sense of their flattening, and the hybrid work model is gaining ground in more and more fields.

The flattening of hierarchical structures means, most of the time, that the departments will increase their geographical area in which they will exercise their activity; for example, the human resources team of company X, which consisted of 15 members who all worked for the organization in Romania, will have 12 members, spread over 6 countries, who will serve the region in which Romania is included. There will be more international projects in which employees will be involved, who will thus develop professionally and will be better financially rewarded.

HR will need to shape the organization so that it becomes more flexible and in step with the new requirements. This modeling may involve: relocating employees to other positions, training them for newly created roles, developing retention or layoff programs, outsourcing services or activities, disseminating HR functions at the departmental level, etc.

CONCLUSIONS

The VUCA world challenges us to find our own way. We will need to understand the psycho-logic and develop empathic behaviour – in short, to be more concerned **with humans and their needs**. Meaning and purpose take a central role in business activities.

People determine the success of every company. This requires the right framework conditions under which each individual can and may contribute his or her skills and services in the sense of agreed – more qualitative and quantitative – results. This was valid at all times and becomes even more important in VUCA times.

In a VUCA world, the most important thing is to anticipate the future and to strengthen cooperation in companies with modern solutions.

Decisions and connections are success factors for shaping the common cause. The aim is to channel the energy used in any case into meaningful channels so that it can lead to value-adding approaches and measures.

The current times could be a good opportunity for many organizations to analyze, reshape their organizational system and rethink their strategy and tools to address the future.

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NOTES ON THE AUTHOR

Dina Maria LUȚ – PhD Associate Professor

“Dimitrie Cantemir” Christian University Bucharest, Faculty of Touristic and Commercial Management Timișoara, 93, 1 December Str., Romania. dinalut@yahoo.com.