

# TURBULENCES WITHIN THE PRESENT ORGANIZATIONS

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## ABSTRACT

*The paper work is developed to guide future research and to examine the execution of management/ leadership in extreme contexts. We start by defining and distinguishing extreme contexts from crisis and other contexts. Leadership as a proximate kind of management has typical dimensions in relation to management activities, but may be convergent with them, in particular in the operation of power in a group of individuals, which correlates with the power team and individual competence identified single addition. the unique influences these components have on leadership processes in extreme contexts examining the relevance of organization types such as critical action and high reliability organizations. We also present a set of factors that may attenuate or intensify the dimensions comprising an extreme context, thus influencing either a team or organization's ability for adaptive leadership response.*

*Ultimately this paper work seeks to develop a richer understanding of turbulences to advance the future development of contextualized theories of leadership for extreme contexts.*

**KEYWORDS:** *management, leadership, crisis, turbulences, organic leadership*

The organizational frame is very sensitive to the influences of the external environment, so that the intensity, the threats and the opportunities of the latter one represent an independent variable in the managing process. The threat represents the negative effects that a crisis of the organization, of its stakeholders or of the industry in general might lead to.

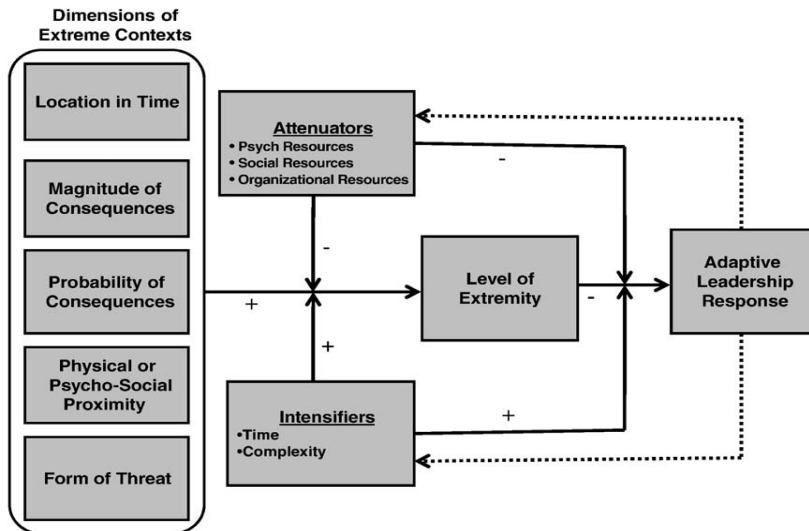
The influences of the external environment are characterised by extreme turbulences or conditions, but for these influences to be considered turbulences they must meet the following conditions:

- To have a massive psychological impact on the social group
- The consequences resulting from these determines a radical decision to be made
- They have such a big extent that they overpass the capacity of the organizations to prevent them.

Hannah, S. T., et al., A framework for examining leadership in extreme contexts, *The Leadership Quarterly* (2009), doi:

At the same time these depend on two variables: the predictability and the changeability.

From this perspective the crisis is the result of the threats of the environment, together with the weaknesses of the organization when they interact and produce damages to an organization, materially and socially, by damaging the public image.



**Typology of extreme contexts.**

Taking into consideration the intensity and the complexity level of the turbulences, the organization can, at the most, have a feedback that absorbs the shock in order to be able to adapt itself to the new context. In my opinion this positive feedback can be obtained by simulations on a level of top and middle management of different crisis and instability situations. In other words, the simulation based on some very well determined scenarios, with the obvious participation of the members of the organization, the ability of the managing team to provide solutions and to make decisions as relevant as possible concerning the achievement of the aims of the organization. In crisis situations, when the organizations face problems of survival, recovery and renewal, it is important that the mechanisms of the authentic leadership, that of 360<sup>0</sup>, should act at all the organizational levels, by performing actions of proactive and not reactive type, in order to follow an innovative process, where the organizational communication is neuronal, biological, without borders.

Within the frame of the present organizations, the business model is centred almost exclusively on development. The requirements for the managers by the stakeholders were to develop quickly, to learn fast and they want to earn fast. But what to do now, when the development has stopped and many managers have noticed that they do not have experience in other business conditions and that the organization which was structured on development has disappeared. At present, many organizations are forced to tear apart this pattern of stunning development and to proceed in a more productive way. On short term, this is necessary for their own survival – then for recovery and renewal. It is a good moment for studying the way that these complex organizations are managed. People want immediate answers while their companies try to keep afloat. But the automatic answers and the fast remedies are not the proper solution. The proper solution is to apply to a system based on leadership that uses the managing processes and functions in achieving the aims.

We can now make an opinion about the extension of the challenges that not only the individuals and the organizations, but also the sectors, and, in fact, the whole system face. We are living a profound incertitude in the crisis moments, nobody knows at this moment how long the crisis will last and what kind of problems may appear. But we do

know that the impact of the decisions that we make now will be felt for a long time after we have got out of this recession. The direct and visible effects will have a long standing significance for the economy. The governments are looking for the cooperation and for the support of the private sector in order to get out of this problematical situation and a single support point is not enough. On this new ground, the organizations must start focussing on making some strategies of cooperation, in order to go forth again.

### **Management/Leadership and the organizations that are in a crisis**

Under turbulent situations, the implementation of new management patterns and techniques within the organization, so that it can influence its ability to adapt itself in the external environment but also within the organization under efficiency and efficacy conditions, is necessary.

The orientation towards the profit, exclusively on development, on an expanding market has a very strong psychological impact on a top management level, so that the idea of a big benefit on a relatively short term overwhelms the top managers. I can say that “the neglect” of the two managing functions: the provision function and the organizing function, may lead to a bigger impact of the turbulences on the organizations.

The main aim of the organization under extreme conditions is the reduction of the difference between the  $T_0$  moment - the moment when the crisis affects the organization and the  $T_{1,2,3..n}$  moment – moments when the organizational change of the market, as a result to the new conditions, leads to the fulfilment of the aims set for the new context. In this situation the efficient management is only the creative management based on innovation.

By the predicting or forecast-planning-scheduling function, the manager sets new steps according to the priorities and the successions of processing, so that the steps of the actual actions must be outrun by the processes of units programming, which ensure an initial harmonisation of resources of any kind with the operational aims in a continuous change. Because, to notice the fact that the provision has a quasi permanent character, having the shape of the so- called endless or infinite provisional cycle. The process of adaptability to the new extreme conditions influences the provision function. The quality of a prediction, the opportunity of a decision, the ability to use efficiently the available resources at a certain moment depend on the ability of a manager to achieve the aims of an organization.

The organizing function combines directly the human resources and the set aims and indirectly the material, informational and financial resources within the organizational processes and the structures. Under crisis conditions this condition has a defining role in reducing the difference between the time of response to the change and the change itself in case it is guided by the biological (neuronal) models and it reduces the vertical division of the managing work but also the excessive degree of centralization. The creative managers have the ability to innovate and to see what is behind any wall, no matter how inefficient, unfavourable this could be.

One of the most important aspects in case of the turbulent environments is the adaptability to new conditions of the market, which is totally a variable that depends on the environment. The flexibility of the organization, through the environment management is an essential action that ensures its viability and power to achieve the aims. A strategic system in a real time, as the impact of the turbulent environment is growing, guides the organization on an extroversion path that leads to the minimisation of the threats and the fructification of the opportunities.

### **(Organic) Leadership or the mechanical model**

The difference and the integration cooperate in order to ensure the efficiency of the organization. The option for one or the other to a bigger or a smaller extent is according to the work that must be performed and with the factors of the external environment which the organization must answer to.

Tom Burns and J. Stalker have studied this phenomenon and they have suggested two completely different organizational methods, the mechanical type and the organic type. The mechanical type is characterised first by the use of the hierarchic chain as an integrative process and also by the use of some politics, procedures and rules to direct, to guide the activities of the organization. This pattern is very efficient in a stable environment, where the changes appear rarely, where the products and the services are created by repetitive methods. At the other end of the organizational spectrum there is the organic organization; it uses informational committees and systems on a horizontal level in order to keep a very wide decentralization integrated. The organic pattern must be used in an unstable environment where the changes happen very fast and the centralized approach is useless because of the ever changing conditions.

The organizations involved in a continuous research and development in order to create some new products that are supposed to keep them on the market along with their competitors, successfully use the organic structure which is based on integration. Those companies which are trying to exist according to some mechanical structures tend to lose their efficiency. Under these conditions, the companies that use an organic structure are less efficient than those that use a mechanical structure.

A certain degree of formalization on the level of the organizations is necessary in order to bring a state of order and rigour that help to get results and to achieve the aims, but not up to the strict point that can oppress the innovative spirit and the creativity of individuals. Besides, in order to increase the performances it is imposed to formalize the organization by adding mechanical accents within the leadership of organic type. The free circulation of information and of ideas makes at a certain moment the distinction between an open organization, having the liberty of movement, and a strict mechanical one, that will adapt itself in a more difficult way or it will not adapt itself at all under turbulent conditions.

The hierarchic strategy can lead to the demobilization of a great part of the employees, when it underlines the competitive aspect by designing an elitist vision of management. On the contrary, imposing some aims by means of an organic system of management and in the same time creating required networks and abilities in order to be achieved diminish the difference between the moment when the crisis affects the organization and the moment when the organizational change is produced as a result of the new conditions of the market.

### **Opportunities in the context of the turbulent environment**

During the turbulent periods of time, the innovative strategies, typical for the markets that can develop, bring some advantages by means of new products and services. The innovation is essential in the turbulent processes, when the accumulated expertise does not help us anymore.

The increase of the ability of innovation of the products and of the services on the market by an efficient management is one of the opportunities by means of which the organization can obtain a competitive advantage in relation to the other organizations.

In a crisis context the human resources gain new dimensions, in the context in which the organizations having a vision could recruit much more qualified people, the competition being bigger on the labour market. Even the „head-hunting” process can have results under these conditions.

The competitive environment gains new dimensions, due to the organizations that, in their struggle to maintain itself on the market despite the unfavourable environment increase the competitive aspect. Regarding this aspect, some companies affected by the turbulences are out of the market, giving the possibility for other organizations to consolidate their position.

### **Conclusions**

Leadership is the main element of the organizational development, especially during turbulent periods of time and of crisis and it imposes the transfer from a tree or machine type organizational model to a biological, neuronal one. Using the classical instruments in the turbulent conditions, the management is deprived of efficiency and efficacy, that is why this must be improved by performing actions of proactive and not of reactive type, in order to reach the organizational excellency.

It is obvious that the real planning consists in organizational coordination, education, values and psychology. Only the person who is aware of these values can take the responsibility required by the complexity of the modern age. It is the duty of the leaders to notice this direction, but it must not be seen just by them.

In conclusion, as the organization passes from the ‘machine’ typology to that of “living organism” its vulnerability under turbulent conditions diminishes, the adaptation to new environmental changes being easier to be done.

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