Key-abilities for successful managers
in competitive economies
(part 2)

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Abstract:

The following paper will try to explore the concept of a successful manager, as well as to evaluate whether there is one essential ingredient that managers are compelled to possess if they are to achieve performance; although emphasis will be placed on social and human skills, there will also be evidence in support of the ideas that effective managers need all three skills – conceptual, human and technical - and that each of these skills could prove, at some point or another, to be essential for survival, but also useless unless supported by the others two.

Rezumat:

Acest articol va încerca să exploreze conceptele legate de managerul de succes, precum şi să evalueze care sunt ingerdientele esenţiale pe care trebuie să le posede managerii în scopul obţinerii performanţelor ridicate; deşi se va acorda atenţie sporită abilităţilor sociale şi umane, vor fi prezentate dovezi care să sprijine ideile conform cărora managerii eficace au nevoie de trei abilităţi – conceptulae, umane şi tehnice -, şi că fiecare dintre aceste abilităţi poate să se dovedească, la un momemnt sau altul, a fi esenţială pentru supravieţuire, dar şi nefolositoare în cazul în care nu este sprijinită de celelalte două.

JEL Classification: *M12 - Personnel Management*
*M55 - Labor Contracting Devices*

As stated in the first part of this paper, personal experience has demonstrated that an employee might feel under pressure due to stressful "working conditions", "work…load, role conflict" (Arnold et al, 2005, p.395-409), over-responsibility that is taken willingly in order to 'keep things going', an unstable work-life balance and difficult relationships with disobedient subordinates and with misleading, non-supportive managers. Stress could also intervene when the job is unsatisfactory or undemanding, or even when the person is unemployed (the Yerkes-Dodson law discussed by Arnold, 2005 – see Figure 1).

Nevertheless, "the behaviour of people cannot be studied in isolation. It is necessary to understand interrelationships with other variables that together comprise the total organisation…formal structure" and culture, "the tasks…, the technology…, the external environment and the methods of carrying out work" (Mullins, 2007, p.4). Therefore, managers must acknowledge the concept of

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organisation as an open system, with management being the integrator of diverse, sometimes conflicting, components into the internal and external environment (the contingency approach discussed by Watson (2002)).
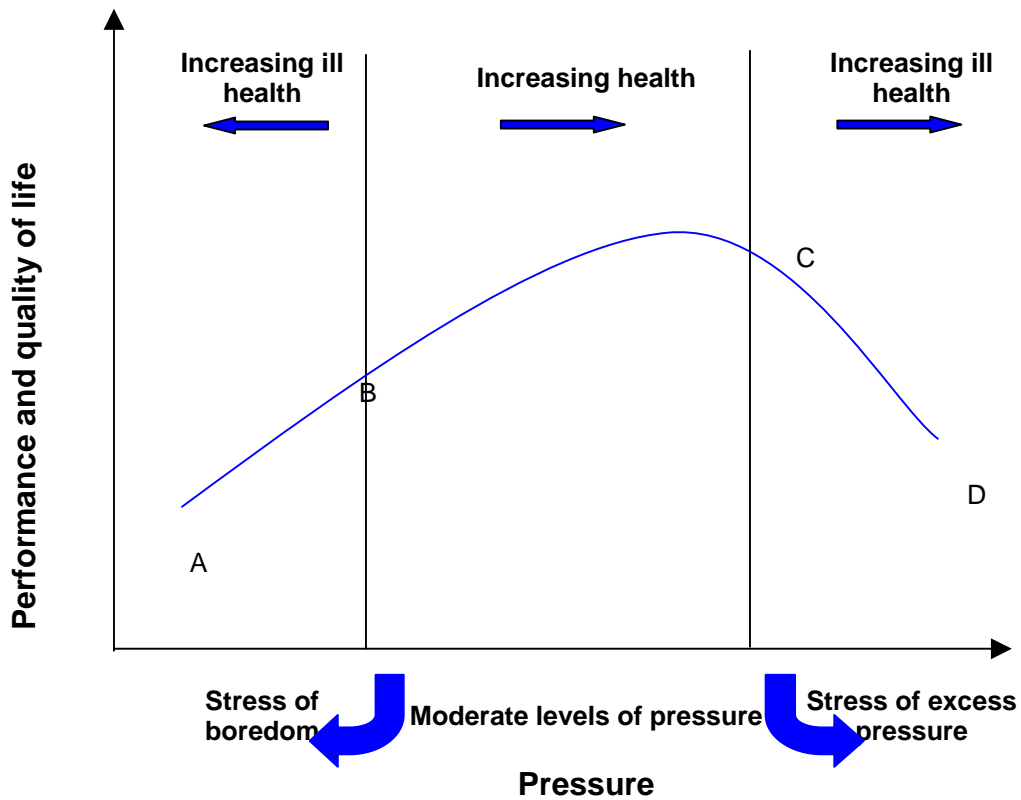
**Figure 1 – Medical extension of Yerkes-Dodson law
(adapted from Arnold et al, 2005, p.394)**

Hence, the following part of the article will concentrate upon identifying alternative competences that successful managers require nowadays, together with exploring several approaches to management from a multi-cultural point of view.

Within the modern ever-changing environment, models regarding a performing manager's tasks have also evolved, from Fayol's five elements of management (1949, cited in Thomson, 2002), Gullick's POSDCORB (1973, cited in Watson, 2002), to the "new management standards 2004" – "managing resources, providing direction, facilitating change, working with people, achieving

results" – (Mullins, 2007, p.464), or Cloke and Goldsmith's conception that managers should also play the leadership role (2002, cited in Morgan, 2007).

However, managers must understand that, even if the shapes have changed, the essence in management theories has remained constant; nowadays, most theoreticians agree on the need of managers to possess a combination of attributes, "hard and soft skills" (Mullins, 2007, p.429) – strategic, technical, coordinating, negotiating, change-managing, interrelating – without which effectiveness cannot be achieved.

As an endorsement to the above inference, a well-known case study will be presented, in order to assess the outcomes of managing in a dynamic environment without taking into account the actual multiple-task work which a manager should undertake.

Although it is now 'back on track', between 1999 and 2004, Marks & Spencer faced a "rollercoaster ride", with business either at the peak of success or in danger of takeover. After an "all-round excellence throughout the 1990s", suddenly, in 1999, "M&S was in serious trouble" – "falling sales…profit warnings…a third of the company's share price" wiped off –; managers had been so complacent with their 'like no other' image, that they were unable to foresee or even recognize the "key changes" occurring within the retail business. Even if "low-price, good-quality market entrants" together with "fashionable designer labels" were threatening M&S market share, image and world presence, the management team did not take any action, until the crisis deepened and a takeover became unavoidable.

Stuart Rose, the new chief-executive, came up with a strategy which was to prove that a good manager requires 'on-the-feet' thinking, fast adaptability and change-managing capabilities. He realised that poor market research and customer communication were the core reasons for crisis, hence initiated a plan with stores modernisation, new clothing line based upon understanding consumer needs, attention to shareholders and sifting valuable from unnecessary staff. Initially, the plan was neither appealing, nor successful, thus Rose began an innovative advertising campaign together with staff motivation and effective coordination and planning, "Without a degree of control…and a certain level of coordination, there would be no organisation" (Watson, 2002, p.86); by the end of 2006, the share price increased, employees were offered a "thank-you bonus", and expansion plans could once again be "approached with confidence" (Mullins, 2007, p.790-791).

Uncertainty nowadays is inevitable; competitors come and steal market share, customers shift orientation towards other brands or gain interest in new products, their needs, values, or beliefs are quickly converted. M&S experienced weak managers that failed to organise and control the business effectively because they were unable to read the marketplace, analyse the organisation's strengths and weaknesses, and push the company in the right direction. Good human and social skills (well-known at M&S) proved to be insufficient in coping with the modern context since the conceptual and technical competences – decision-making, marketing, strategy and goal setting, coordinating and planning – were not supporting them.

Globalisation, world-wide presence and multi-cultural workforce have imposed further management competences – managing diversity and building new management models that can mould on different cultural backgrounds –, and it can now be stated that "managing the global enterprise and modern business management have become synonymous" (Adley, 2000, p. XIII). Based on this assumption a parallel of cultural-specific orientations to management will be presented.

"Japanese and American management is 95% the same and differs in all important aspects" (Fujisawa, cited in Adley, 2000, p. XIII). For many years, American managers have been held as success icons in the business world. Their approach to workers, based on McGreggor's Theory X, was a task-structure, people-controlling, individualist attitude, which seemed to function, especially within the global enterprise. However, since Ouchi's breakthrough Theory Z, Japanisation has become a 'must-have' business practice for many important organisations throughout the world, even for the American ones. Total Quality Management is an example of Theory Z technique which encompasses the Japanese attitude towards management, "continuous search for improvement…quality", "customers are the focus", "integrity is never compromised", a fulfilled psychological contract based upon participation, employee welfare and informal interaction (Mullins, 2007 and Leat, 2001, p.64-66).

Consequently, the concept of a successful manager might be considered as "an endless subject and endlessly interesting because you can never get your conceptual arms fully around it" (Bennis, 1991, cited in Morgan, 2007); various factors influence the success of a manager, therefore various skills are required. The conclusion which the article has been reinforcing is that all of these competences are essential for performance; however, like Alice in Wonderland, an exceptional manager has to adapt and learn when, where and how to deploy these skills.

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