Corporate Consciousness

A Firm Foundation

By

Cornelis Reiman

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About the book

Corporate Consciousness is a book for educators, undergraduate students, postgraduate students, researchers and scholars in business-related fields, as well as high performers and professionals in the corporate sector, or those who aspire to be one.

In *Corporate Consciousness*, Cornelis Reiman reviews business issues associated with organisational effectiveness. Through ideas distilled from his extensive experience as an executive, educator and business consultant, he provides a fresh perspective of the work environment. He also presents his ideas with an interesting approach, one that coaches readers in understanding how to improve workplace efficiency on a continual basis.

Dr. Reiman uses explanatory text, making it easier to understand and apply key business concepts. As such, *Corporate Consciousness* is a very informative, instructive and inspiring book that reveals the fundamental elements of change management and business success. It delves deep and helps people to appreciate why some employees, teams and businesses are successful, and why others are not.

This book deals with corporate goals and values, as well as the need for employees to focus upon these in all that they do. This is about changing the mind-set of people. In an intriguing and convincing way, it also looks at the increasing implications of corporate social responsibility, as well as the related association between business and society.

No matter whether in the private or public sector, *Corporate Consciousness* is rewarding reading for senior executives and regular employees alike, as well as for anyone else interested in business discipline.

"Corporate consciousness represents a strong, central sense of identity and psyche for any business entity, as well as a guide for all of its activities. More so, corporate consciousness is a persona, or an ego of an entity, and one that is stable."

"It is truly enough said that a corporation has no conscience. But a corporation of conscientious men is a corporation with a conscience."

<div align="right">Henry David Thoreau, American writer, 1817–1862.</div>

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Preface

Corporate Consciousness came from a perceived need to provide a clear view of what corporate life is about, and why some companies are successful while others are not. As such, this book arose from a collection of thoughts that seemed to find voice, over time, doing so through casual conversations before fuller utilisation in consulting, teaching and my work as an executive, as well as a business advisor. Essentially, I found myself helping colleagues and students with simple, intuitive explanations when discussing complex business issues. Gradually, my ideas formed an overall approach, one that is fundamental to this book. Certainly, this is a long way from casual conversations that were first scratched into paper napkins at lunches, drawn on the back of business cards in meetings, and sketched on university whiteboards.

Corporate Consciousness explains the key to understanding corporate accomplishment, particularly by describing the specific mentality required to a-ttain and maintain successfulness in a business setting. It is all about focussing only on the related objectives. The question, then, is whether people are capable of such an ideal and can sustain the necessary effort. In this regard, a central message of this book is to review the interaction between people within an organisation. This determines how they relate to the true purpose and direction of the entity in which they are employed. More so, how you relate to that essential business element, and how you focus upon it, determines the extent to which your own success is possible. This book also discusses the process of optimal organisational evolution, as well as the means by which an inefficient organisation can be repaired. Additionally, solutions are suggested for organisational or personal stressfulness. Also, particular attention is given to corporate social responsibility in terms of how business entities interact with the surrounding environment.

When writing *Corporate Consciousness*, I aimed it at executives and managers, as well as those who aspire to such positions. Some might see ways to improve their performance and that of those in their care. Others could determine how to enhance their chances of advancement. People external to corporate organisations, possibly, will comprehend the primary points of interest, change their way of thinking, then judge business directions and management effectiveness accordingly.

You might appreciate that the principles of business are equally applicable to small and large entities, as well as to chief executives, employees or sole traders. As such, *Corporate Consciousness* is for public and private sector participants alike, even though their areas of financial and operational responsibility might vary considerably. Whatever the workplace, the fundamental issue is to understand the primary aspects of any business unit, department, subsidiary or entity and, with that in mind, improve your effectiveness.

As stands to reason, the implementers of new management techniques and innovations usually seek major payback. To be effective, however, they do require the full support of other employees in the firm. All of these people need to understand something of the bigger picture if they are to a play a part, large or small, in the future of the organisation. *Corporate Consciousness*, therefore, offers a macro view of an efficient organisation. It also presents an appreciation of what causes a corporate organisation to be inefficient. In addition, this book gives a micro view at the personal level. This provides the basis for understanding how an individual perspective and related performance can facilitate or impede the attainment and maintenance of corporate goals. In effect, it is about promoting a culture of continuous improvement.

Corporate Consciousness is the essence of an efficient entity, as is expressed in all that its employees do. It is, perhaps, easier to consider this as a personal approach to facilitate organisational change, one driven by each employee's capacity to alter their thoughts and actions for the benefit of business in which they work. By so doing, *Corporate Consciousness* provides a firm foundation and a solid philosophy for any in the corporate sector.

Basically, *Corporate Consciousness* began as an attempt to encapsulate the fundamentals of business strategy in order to explain them simply. The subsequent approach will allow for the integration of many management concepts in a readily digestible manner.

Cornelis Reiman

Bangkok, Thailand, 2024

Acknowledgements

Certainly, there are many individuals who helped me in moving a few initial ideas into much larger notions that are now presented in this book. It took a while to reach this stage and I must say that, along the way, many people were subjected to my views.

I, therefore, thank colleagues at previous places of work, also my private consulting clients, as well as a few academics. I also thank my economics, business and management students at Adelaide and Monash universities in Australia where I was able to integrate my corporate thoughts whenever appropriate.

Usually, I only raised my particular ideas to help someone understand complex business concepts. Nevertheless, I always gained from the related discussions. By so doing, the contributions, large or small, from all of the people with whom I spoke about my ideas, led me to produce what is now before you. Additionally, there are those with whom I worked when implementing my concepts in order to stabilise and improve business processes, as well as shaping productive corporate cultures.

Given the practical application of the notions within this book, I am also grateful to business people and academics who commented on manuscript drafts. Of course, despite all of the assistance along the way, any flaws of logic, or other sticking points in the minds of the reader, must rest entirely with me.

Finally, I thank my wife for her insightful advice, constant patience and eternal support.

Introduction

Corporate Consciousness is developed for scholars, students, and high performers in the corporate sector, as well as anyone interested in business discipline, plus people who are already a part of an organisation, who are considering a corporate career or who have an interest in business otherwise. Consequently, this book is aimed at students, academics, researchers and trainers specialising in subjects like business, human resource management, and organisational behaviour, whether pursuing coursework or research outcomes. It is also directed at executives, managers, employees and consultants

Essentially, this book is of use to anyone who wants a better understanding of how corporate organisations operate, whether for their own benefit, or for that of an organisation overall.

Fundamentally, the first objective of *Corporate Consciousness* is for the reader to gain a fresh view of how people interact with their employer organisation, and with each other in the workspace. The second objective is for readers to apply the concepts in this book to create a personal approach, no matter what the prevailing organisational culture. Then, people can pursue success with minimal stress, and also maximise synergies to attain corporate objectives. This is done by sensitising readers to the potential of attaining and maintaining organisational effectiveness through renewed focus on personal and organisational objectives, as well as values. The third objective is to provide readers with a guide as to why they, and their organisation, do things in a certain way, as well as how these can be changed and improved.

Certainly, it is expected that this book will stimulate thinking by offering a mind-set that will instruct in one regard and, then, lead to new thought processes. This way, readers will become more effective in understanding the work environment and people within it. Accordingly, *Corporate Consciousness* explains the key to corporate success, particularly by describing the specific mentality that is required to achieve it.

This book also discusses the process of optimal organisational evolution, as well as the means by which an inefficient organisation can be repaired.

Additionally, solutions are suggested for corporate or personal stressfulness, including that fostered by corporate social responsibility. Readers should gain an appreciation of such aspects.

Having digested this book, readers should be able to understand the corporate environment, particularly the interaction between people who are influential in instigating or responding to new ideas. Therefore, seeing how people act and interact in a corporate context enhances the reader's understanding of business life. This will prompt reflection upon how things happen within organisations, how colleagues operate and cooperate, as well as how all employees can improve their own level of participation and effectiveness. Consequently, readers will integrate various concepts in their workplace.

Upon completion of this book, readers should be able to:

- Apply the *Corporate Consciousness* concepts for organisational and personal improvement;
- Use appropriate methods for assessing basic organisational interactions;
- Consider the strengths and weaknesses of different methods of training, interpersonal communication, and emotional management;
- Identify, analyse and solve problems arising from human and social behaviour in organisations;
- Work with people for maximum effectiveness;
- Clearly describe, understand and manage formal organisational processes and structures;
- Develop skills needed to plan, implement and manage change in an organisation;
- Understand interpersonal and inter-departmental interactions;
- Analyse the competitive situation facing you and your organisation;
- Identify and manage potential sources of competitive advantage and disadvantage;
- Identify and understand information from various business functions;

- Understand and manage your part of a business in pursuing an integrated whole;

- Formulate recommendations in response to problems, such as organisational and competitive issues;

- Generate business development ideas;

- Design and develop strategies to improve organisational effectiveness;

- Identify, create, build and manage interpersonal and organisational skills to facilitate increased organisational effectiveness;

- Identify and assess various business and process trends, as well as associated best practices;

- Make prompt and optimal decisions within your organisation;

- Realise how organisational effectiveness can be achieved;

- Identify ways of utilising people and processes to improve organisational effectiveness;

- Understand the psychological contract between managers and employees;

- Appreciate the need for corporate culture and leadership;

- Determine the origin of workplace and societal stress;

- Determine the extent to which you and your organisation exhibit corporate social responsibility and conform to generally accepted norms.

This book is comprised of five main parts. Chapter 1 provides a broad understanding of the corporate landscape. This, certainly, sets the scene for further commentary in the book, and is likely to be of particular use to students of business and management subjects. Thereafter, Chapter 2 discusses the characteristics of an effective organisation. By doing so, it supplies a foundation upon which to stand and appreciate the contents of subsequent chapters. Specifically, Chapter 3 reviews the way that the corporate world often appears, which is less than effective. Chapter 4 sees how to move an inefficient organisation toward a far better way of working; and, Chapter 5 focuses upon what must be done by you to improve your own role at work, as well as how the corporation interacts with society at

large. It also comments upon workplace stress, as well as factors that affect employee retention and departure.

The rationale for this flow of chapters, and their associated sections, is that you do need to appreciate some background, and then see that effectiveness is not a ridiculous objective, that ineffectiveness can be improved, and that individuals do have a substantial role in facilitating necessary changes.

The following page presents Figure A, which is an overall concept map. As the name suggests, this identifies the main ideas contained in the following pages. Essentially, this concept map is worth reviewing to gain an understanding, by and large, of the journey that you will take in reading this book. Similarly, as you progress, you will also see a concept map situated at the start of each chapter to help you along the way.

Take a moment to review the first concept map. This is followed by related commentary that summarises the remainder of the book.
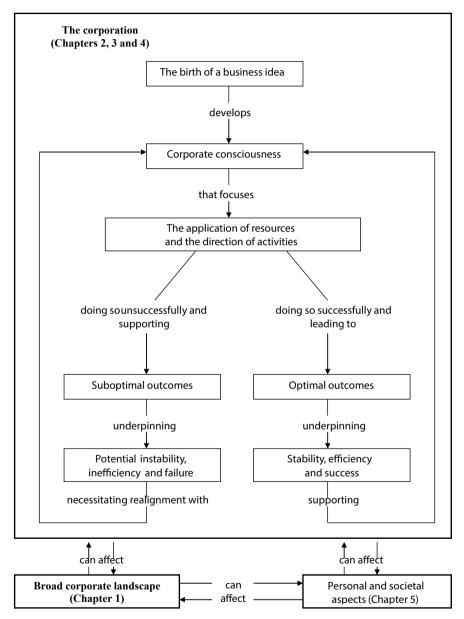
Figure A *Concept map – overall summary*

Corporate Consciousness – a summary

Corporate consciousness embraces the discipline of business success in any situation. In effect, it is the general awareness within any efficient corporation of the strategic direction and goals that are mutually understood, and communally supported. Additionally, this widespread level of understanding is applied to all the thoughts, plans and actions of employees. As a direct result, this approach facilitates organisational effectiveness as it reduces the likelihood of distraction and, consequently, fosters a high level of workplace productivity.

Usually, corporate consciousness first eventuates when someone comes up with the idea for a new business. Then, if subsequent employees follow the strategic features of that idea, the business will reflect those fundamental aspects and fulfil the related goals. Ideally, we expect employees to focus on the key strategies of any business entity if it is to succeed. Without clear vision, as well as related goals and plans, there is a considerable risk that the efforts of employees in any business, and the allocation of resources at their disposal, will be misguided. In turn, a lack of proper direction will produce poor outcomes.

The challenge for any business, therefore, is to ensure that the efforts of all employees follow the same strategic elements that facilitate the progress, stability and success of that entity. Throughout, there is a need for commitment by all employees to the corporate consciousness. Employee focus on the current moment in time is also necessary to ensure that any opportunity is identified and assessed to determine its usefulness. To all intents and purposes, if tasks emanate from a common vision, then, there is a clear and complete focus by employees on the corporate consciousness and everything that it entails. If this is achieved, there is a total alignment of employee activities with the strategic direction envisaged by executives and the Board of Directors. Such corporate effectiveness is investigated in Chapter 2, as is the benefit of optimal time management and an organisational structure that facilitates valuable information flow.

Of course, the activities of employees are not always synchronised with the strategic constituents of success. Particularly, the vision, mission, goals, strategies, processes and tasks are non-existent, or they relate poorly with

one another. As such, corporate consciousness cannot exist because there is a lack of any common focus in what employees do. Their efforts, therefore, tend to pursue differing goals. Any business entity sending mixed messages as to its strategic direction will, thereby, generate ineffectiveness. This misguided corporate activity is the topic of Chapter 3, as are the underlying causes. Certainly, if such organisational ineffectiveness exists, there is a dire need to review why this might be the case. In the process of assessing the circumstances of sub-optimal outcomes, it is necessary to consider the reasons why employees resort to avenues that are not in keeping with strategic plans. In that regard, Chapter 4 looks at what must be done to remedy the situation. It is here that we see the need for improved vision, clear planning, as well as focussed leadership and management in creating corporate consciousness. Clearly, a sole goal should become evident through an overall improvement process that, then, guides employee activities in a most advantageous manner.

That said, the role of people in any business is vital and, therefore, cannot be overlooked. In fact, the basic component of a business entity is the ability of employees to contribute to its success. The more that an employee embraces corporate consciousness, the more productive they will be in their area of work, as well as when dealing with others within the workplace. We will explore more of this in Chapter 5, especially when investigating your role in the workplace, as well as that of others within the business, plus the potential impact of those who are external, such as important stakeholders. Corporate social responsibility is also discussed in the final chapter, as well as how this affects a business entity. Additionally, we also look at the potential of workplace stress, what causes it, and how it can be managed. This leads to further commentary on why employees might leave their place of employment, or stay to continue supporting corporate goals.

Essentially, people within corporations and organisations elsewhere, can be affected by societal, economic, political and environmental forces. All of this can affect the workings of a corporation, either directly through employees, or less so via important stakeholders. It is for this reason that Chapter 1, as follows, comments upon the broad corporate landscape before we proceed with corporate consciousness in particular.

Chapter 1

The broad corporate landscape

"There is nothing permanent except change."
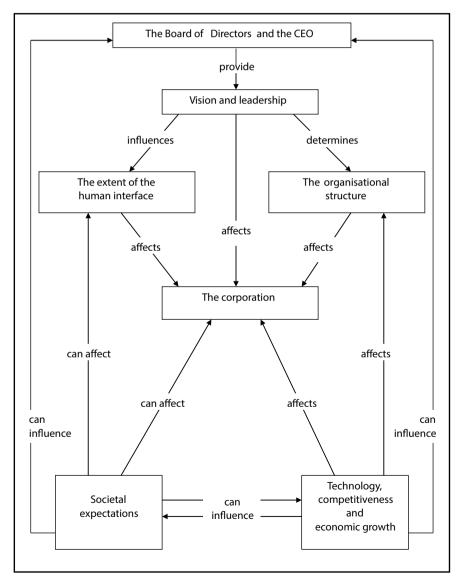Heraclitus, Greek philosopher, circa 535–475 BCE.

Figure 1A *Concept map for Chapter 1*

1.1 Introduction

Before we explore corporate consciousness, and how it facilitates organisational effectiveness through the concerted efforts of employees, it is worthwhile considering the wider environment in which businesses sit. After all, it is within such a setting that assorted forces arise and affect corporations, positively and negatively. Whether these business entities are successful depends on many factors, as are summarised in this chapter.

The preceding concept map, Figure 1A, provides a guide to this chapter, and it is worth reviewing its key components at this stage. Particularly, we will see the interaction between the corporation and key people within in it who are charged with shaping and managing its future. As such, senior executives and Board Directors are responsible for determining the vision of the business entity in their care, as well as the leadership style necessary to achieve it.

Further, the nature of the organisational structure is worth investigating as this can affect employee productivity. For example, consider the extent of any bureaucracy or, conversely, the level of freedom that exists to make decisions in isolation. This will influence employee behaviour and responsiveness to new ideas and information. Also, it is necessary to determine the extent of any human interface within an organisation. In other words, mutual respect and fairness, as well as sincerely appreciating the skills and achievements of employees, can have a positive impact on morale and productivity.

Note that prevailing societal factors can influence the way that corporations interact with their employees. In addition, a number of external forces can affect societal expectations and corporations directly. In this regard, consider the rapid pace of technological change, or the power of economic pressure, regardless of whether it is positive or negative. After all, a corporation cannot operate in seclusion, nor be immune to sources of persuasion that are well beyond its control. It is, however, a matter of managing the resultant changes to maximise advantages and minimise disadvantages.

Corporate consciousness is the product of many factors within a business entity, all of which must be alignment to ensure organisational effectiveness. To appreciate this best possible state of awareness in the workplace, it

is necessary to review some basic issues that can affect it. The objectives of this chapter, therefore, are to provide a strong sense of internal and external factors that influence corporations and their operations. Particularly, there are various issues that must be tracked and managed if a corporation is to succeed. Further, there is the objective of acknowledging that the identification of opportunities is a vital aspect of business success. The same applies to the ability of corporate leaders to set a clear corporate vision, and to ensure that all aspects of the organisation work toward achieving it. Otherwise, opportunities cannot be assessed for their relevance and usefulness.

Given these objectives, this chapter provides a short summary of the background against which commentary on corporate consciousness in subsequent chapters can stand. By no means is this particular chapter all-encompassing. It does, however, introduce some points upon which to ponder before we discuss topics that are very pertinent to corporations. Therefore, let us consider some business fundamentals, as are expressed in the following sections:

- Forces at work;
- Influential factors;
- Leadership;
- Organisation.

1.2 Forces at work

Corporations do not operate in isolation. They are part of a grand economic mechanism that affects society, markets, consumers and businesses alike. Assorted strong forces, thereby, affect business entities regardless of their size and type. So, no matter what the roles and responsibilities of an employee, there is a need for them to consider the constantly changing environment in which they operate.

Each employee must manage change effectively if they, and their employer, are to succeed. If not dedicated to the task of adapting to the pressure of various influences, then, an employee is operating less than optimally. In turn, this will have an impact on the workplace, as well as the corporation overall. It is not a matter, simply, of acknowledging trends. There is a need

for a corporation to be proactive in order to maximise the benefits, or minimise the problems, caused by many factors, events and processes, such as those suggested in the following list.

- Competition
- Shareholders
- Suppliers
- Technology
- Globalisation
- Environmental awareness
- Environmental disaster
- Product and process innovation
- Mergers and acquisitions
- Free trade agreements
- International laws
- International standards
- International finance
- Exchange rates
- Consumer preferences
- Alliances in industry
- Economics
- Politics
- Government intervention
- Customers
- Stakeholders

Clearly, numerous factors generate change. Of course, the actual impact of each can vary in several ways that depend on circumstances particular to a business. Certainly, there are many issues, and these do not always operate in a predictable manner. These factors, therefore, can affect the pace of change within a business entity, doing so at different rates. Some will be slow. Others might be fast, even causing sudden, severe shocks. They can also interact

to produce a greater and compounding impact on a business entity. The fact is that these particular features of the corporate environment, and any interplay between them, cause constant change that affects corporations. In turn, this creates significant issues that must be addressed if employees are to take advantage of possible opportunities that come from change, or reduce the potential of any negative impact upon an organisation.

Consider how a dramatic pace of change leads to possible volatility that affects corporations. It also prompts an increase in the need for adjustments within a corporation to counter the negative impact caused by agents of change. In the presence of persistent change, reframing any small task, larger plan or grander strategy is necessary, as is the need to pursue associated transformations within the corporate organisation. Usually, this involves moving employees into a new way of doing things and, therefore, shifting their thinking.

If such corrections are not done, then, the associated business entity operates with an historic viewpoint, and with no clear idea of the new and increasingly complex circumstance in which it exists. Consider, here, that increased global competition is a good example of a catalyst for change. Specifically, it directly affects the pace of several factors affecting a corporation. This, in turn, increases the need for a response within that business entity to address the change of circumstances. As can be acknowledged, change has an unsettling effect. It leads to uncertainty in the workplace, as well as possible confusion and complexity. As a result, executives must deal with an environment that places different demands upon all areas of the business. This requires more information for decision-making purposes, as well as the need for greater responsiveness by the organisation, in order to deal quickly with the new scheme of things. All of this can have a negative effect upon a corporation if it is not properly assessed and managed. Yet, as suggested earlier, instability can also provide the opportunity for innovation and success.

Even so, we can consider the impact of change as a catalyst of success. Specifically, increase chance causes increased uncertainty, as can foster opportunities that encourage innovation and, thereby, success. So, as suggested in this sequence of events, if change causes uncertainty, it is feasible that this can also prompt the identification by employees of positive business

opportunities. This can stimulate thinking in search of what must be done as a consequence, perhaps leading to innovation and new ideas that provide possible benefits for the organisation. Thereby, the increased chance of success can foster further accomplishments for the corporation. The chance of gaining success in any situation, especially a tumultuous one, is reason enough for businesses to harness such things as the flow of available knowledge, as well as the technology necessary to process related information. Also, consider the benefits of multi-skilling. This can help employees to see and assess the relevance of information or opportunities coming to them.

Unquestionably, managing the effects of change is extremely difficult, especially when not all is known in relation to how these effects can be controlled or exploited. Ambiguity and uncertainty are commonplace and, in the world of change, these factors continue to affect businesses. Even so, consider that a greater awareness of the surroundings in which a business operates allows executives and managers to determine if there are significant shifts in critical success factors. For example, are parts of the population responding more or less to various factors that affect their buying behaviour? Do old or new market segments show lower or higher economic activity? The key issue for any business, therefore, is to make sense of changes and, then, maximise the related benefits through careful consideration, as well as application of what comes about as a consequence of changes. If this approach is not the norm in any business, then competitors have the opportunity to make substantial gains in the marketplace. This is especially the case if competitors do review and assess the potential benefits that come with change.

Essentially, the forces of change can produce advantages that must be embraced or chased. The difference between the two options is likely to be sufficient to provide one business with a distinctive competitive advantage over another. To do nothing with the continual stream of information that comes along is to forgo all opportunities for improvement, if not for survival.

In this regard, think about what we know of history, such as the agricultural era when labour worked land and mechanisation was minimal. Then, the steam engine was invented and it started the Industrial Revolution. This was a time when, with new tools and equipment, natural resources became more accessible. Later, the availability of electrical energy increased the

pace of economic and industrial development. Now, we see the continual rise of the knowledge worker in an information or digital age that dominates economic activity and fosters unprecedented change worldwide.

Any who led the way from one mode of production to another, or from one type of wealth creation to another, are the ones who gained considerable financial benefits. The challenge then, as now, is to see the possible benefits of change ahead of others and engage necessary resources to take it on. As an example, consider technological enhancements and developments. The related pace of change has increased dramatically, going from a fairly steady arithmetic pace to geometric rates. As a consequence, there is even a greater need for corporate leaders to be mindful of change when technology can play a major role in a business under their control. If this is not done, the opportunity is lost to participate in, or harvest, any related shifts that have the capacity to yield benefits.

In relation to this, consider a competitive situation where one company identifies and takes hold of a new way of doing things, whereas others do not. Thereby, the proactive company finds itself getting ahead in the marketplace for reasons of a first mover advantage, or through the benefits of reduced operating costs and gaining higher profits. Any competitors who decide to follow this lead must do so soon. Otherwise, they can be left behind quite quickly, especially if the first mover has intellectual property rights that protect and accelerate their dominant position. So, if change is a constant, as suggested before, then any who promptly and effectively assess the related information flow are likely to see new opportunities well ahead of anyone else.

Although change is difficult for many people to accept, or even see, the objective of any business should be to stay ahead of changes affecting their commercial circumstances. This can be a challenge, but one that can yield considerable returns. That is to say, factors affecting the rate of change of any business must be acknowledged, assessed, internalised and utilised. If this is not done, it is probable that a corporation will suffer considerably in relation to competitors who do ride the curve of opportunity.

It should be said that entrepreneurial businesses often identify potential opportunities arising from the forces of change. As a consequence, these

opportunities can alter the strategic direction of such businesses. By doing so, the new strategy focuses the attention of employees, specifically on critical and fundamental aspects generating the opportunity. As a result, the creation of new products and new markets become possible. Therefore, consider again the significant factors that affect businesses, particularly the explosive growth in environmental considerations. For example, climate change, greenhouse gas emission control, the need for carbon sinks, carbon credit trading and alternate energy sources. In this case, the increasing need for low-carbon production and the greening of business leads to related business opportunities, such as energy-saving and clean-technologies.

Further, consider other significant factors that affect businesses, such as the potential of emerging markets, the impact of globalisation, and that many corporations increasingly expand operations internationally. Businesses growing in this way can expect that their suppliers of products and services will pursue a borderless business development strategy, too. If not, understandably, other suppliers will be found. All of this suggests the need for businesses to take the lead, or to match the moves of competitors. Otherwise, a loss of market share and profit is possible for those who do not pursue opportunities.

Increasingly, corporations must be sufficiently agile to deal with the impact of change. In effect, continuous improvement is necessary to ensure that a corporation is at the peak of readiness in order to deal with any eventuality. Taking advantage of new opportunities can also require a transformation in leadership, management, processes and structures. Improved information flow up and down the organisation, as well as from the surrounding environment, will also be useful. Good leaders will be people who can see beyond the daily distractions of work, then sifting through information to distil opportunities that are worth pursuing. In addition, they will lead others by setting clear directions. Still, not all leaders know what must be done. Often, they need access to new tools and techniques to deal effectively with issues, obstacles and opportunities, as is addressed in the next section.

1.3 Influential factors

In order to help businesses deal with the continual swirl of influential activity, and to take advantage of possible opportunities, a number of theories

and practices arose over time. These influence the thinking of executives, managers and other employees. Certainly, business people constantly seek ways to improve the effectiveness of what they do. Books written quite some time ago even provide guidance. Consider, for example, Sun-Tzu and *The Art of War* from the sixth century BCE, or Niccolo Machiavelli and *The Prince*, of 1513. In 1776, it was Adam Smith and his seminal *Wealth of Nations*. Despite the significant passing of time, these works are still considered relevant today in their application to modern management.

More recently, there were pioneers such as Max Weber, Henri Fayol, Henry Gantt, Frederick Taylor, Frank and Lillian Gilbreth, Elton Mayo, Chester Barnard, in addition to trendsetting thinkers such as Merton, Deming, Maslow, Lippitt, Lewin, Herzberg, McGregor, Likert, Bennis, and Argyris. Of course, Drucker was a very strong influence in the arena of management thinking. We also saw the significant contributions of Porter, Peters and Waterman, Mintzberg, Senge, Hamel, Handy, and Hofstede. The considerable efforts of these people, and others, are widely applauded, and are applied by many in the business sector. This is because the ideas and approaches proposed for dealing with issues in business helped to improve how things were done. Also bear in mind the numerous management tools that came, then went, or stayed, to influence the thinking and direction of corporations seeking progress. For example:

- Asset management;
- Balanced scorecard;
- Benchmarking;
- Best practice;
- Business process redesign;
- Competitive advantage;
- Concurrent engineering;
- Continuous improvement;
- Core competencies;
- Corporate social responsibility;
- Cross-functional teams;
- Cultural change;

- Customer focused;
- Delayering;
- Downsizing;
- Entrepreneurs;
- Excellence;
- Flexible manufacturing;
- Gainsharing;
- Intrapreneurs;
- Job redesign
- Just in time;
- Key performance indicators;
- Key result areas;
- Key value drivers;
- Knowledge workers;
- Learning organisations;
- Micromarketing;
- Mission statements;
- Networking;
- Organisational redesign;
- Outsourcing;
- Partnering;
- Pay for performance;
- Pen book management;
- Re-engineering;
- Restructuring;
- Rightsizing;
- Slash and burn;
- Strategic alliances;
- Strategic intent;

- Structural flattening;
- The adaptive organisation;
- The empowered organisation;
- The hybrid organisation;
- The innovative organisation;
- The learning organisation;
- The network organisation;
- The new organisation;
- The transnational organisation;
- Time-based competition;
- Total quality management.

Interestingly, the very existence of these various opportunities for improvement is enough to cause problems in an organisation. There is, for example, the possible procrastination by business executives in making decisions about implementing such solutions, as well as the related frustration of other employees seeking a faster answer. Potential annoyance can arise from finding, for whatever reason, that such corrective programs cannot be implemented, even though these were promoted as a solution in a business. For instance, remedial efforts often have a huge entry cost due the need for considerable employee involvement that is above what normally fills their day. In addition, there are great expectations generated ahead of any implementation. Often, these are no met. This is especially so when such projects are seen as a quick and ready fix to critical business issues, such as poor performance.

Usually, specific cures are considered to be quite necessary for the organisation in the long term. As such, executives habitually ignite keenness in the workplace about the introduction and application of new business tools, concepts and plans that are identified as solutions. Frequently, this is done without any consideration for maintaining the necessary momentum of the business. Ideally, employee effort should be focussed. Then, the potential benefits are gained and, possibly, sustained. Yet, through a mounting sense of urgency, or because of improper assessment, executives might embrace the latest business approach without considering the actual impact of any

such initiative. That is to say, something fashionable might not necessarily be appropriate in every business.

Essentially, the desire for improvement through the implementation of new projects is problematic if management teams are not willing, or able, to do what is required to achieve the expected payback. Part of the problem is that planning is poor, and objectives are ill-defined. Also, inappropriate resources are often given to the task. It is worth considering here that introducing new ways of doing things often meets entrenched human habit and, thus, there is a strong resistance to change. As such, new projects and programs are not easily adopted by employees. In addition, a lack of conviction on the part of most employees in a company will be detrimental to any remedial effort. This is the case if there is little to no understanding within a corporation as to the current, and proposed, strategic goals. Such a lack of awareness is likely to cause poor focus and bad discipline in the workforce, especially when there is any attempt to make significant changes. The result of this will be a substantial shortfall in the benefits that are possible from new approaches implemented to address critical business issues.

Undoubtedly, one needs to think of what is best in each organisation, rather than put into practice a program of correction with no thought given to the possible runaway effects. Also, there should be a comprehensive approach to seeking improvements rather than just accepting any solution that comes along. This is especially true if the remedial approach is only relevant to one, or a few, functional areas rather than the company as a whole. Note that the resultant impact in only some parts of the corporation, even if positive, can lead to unexpected issues elsewhere in the organisation. As stands to reason, a so-called whole-of-business approach is best in order to monitor what happens in all aspects of an organisation.

The vital issue here is to assess the impact of influential forces, review fundamentals of the business, and get the settings right. Certainly, attempting to bring a business entity and its workforce into a new course of thought and action ought to develop some advantages. However, there should be even greater gains if a more thoughtful, holistic, and strategic approach was utilised, one that successfully focussed the attention of employees upon distinct organisational objectives. Anything less than this is a distant second best as it allows too much malleability in the minds of executives,

managers and employees alike. Obviously, this is more easily said than done. Nevertheless, it is better to set a hard target to steer corporate activities and, perhaps, just fall short of it, than it is to use a mediocre mark as a business goal and see the organisation not come close to achieving it.

Corporate life, in effect, is a severe test for executives when trying to find stability and progress in a wild sea of influential factors affecting the buoyancy and destination of an organisation. Yet, if business managers get it right, then there are significant benefits, as proposed before. For any organisation, this implies the need for intelligent leadership that can handle the increasingly fast pace of change, and the need for rapid responses to all that it delivers. Particularly, this is necessary in order to ensure future success in a global world of opportunity. It is for this reason that the next section looks at leadership as a critical aspect of corporations.

1.4 Leadership

With change now a constant aspect of corporate life, it is essential for businesses to make use of appropriate programs, tools and measures, as suggested earlier. Clear and strong leadership, however, is needed in such situations. This is because executives must have a solid understanding of the short and long-term strategies, as well what is necessary to attain them. Essentially, any shift in the strategic direction, structure, or culture of an organisation requires orchestrated development of various aspects and systems, such as:

- Human resource and talent management;
- Manufacturing;
- Supply chain;
- Value chain;
- Quality management and benchmarking;
- Customer satisfaction.

The successful attainment of revised corporate goals also requires a shift in the attitudes of employees within the organisation to accommodate a new way of doing things. This means a change in their behaviour, as well as how

they make decisions and implement actions. Effective leadership, thus, is necessary to confront existing practices that often provide comfort in maintaining past patterns of behaviour. Old routines, more than often, are not optimal from an organisational perspective because, as we saw before, the surrounding circumstances are new and more demanding. This is especially the case when new goals of a business are rather bold, or are poorly presented. Such situations can scare employees as to the magnitude of possible change within the workplace, and can cause concern about how such change will affect them personally. This sort of thing provides more than enough reasons for employees to remain entrenched in how they do things so as to avoid dealing with anything new. After all, people are creatures of habit, and this is a challenge to anyone managing human resources.

A deep-seated element in any business, then, is the need for leadership that can see the big picture, identify the desired purpose of the corporation and guide others toward making it a reality. It is pertinent, here, to consider that a Board of Directors must first determine the future view of a business. Boards are very strategic in their approach to business leadership and, usually, have the farsightedness, skills and imagination that can cast the right corporate vision for others to pursue. This is shown in Figure 1.4 below.

Of course, there is awareness by the Board of a broader view, such as we saw before in discussing forces at work. Yet there must a particular area of focus that is the basis for business strategies. In other words, assessment of a smaller area of focus, therefore, leads to the strategic vision. Of all possible options, such as the broader view contains, this particular vision is what the related organisation should concentrate upon. Further, note that a Board not only determines this vision but should hold that in place as it monitors related progress of the corporation over time. As an aside, there is a need for peripheral vision, being what is seen around the point of vision in the area of focus. This area should be monitored frequently by a Board of Directors for relevance, just as information flow from the larger environment surrounding a business entity can have an impact upon it. This important function is discussed further in subsequent chapters.

In seeking to direct the attention of corporate resources, Board Directors focus on strategic thinking and policy formulation, perhaps even the development of practices and systems. Succession planning of the Chief Execu-

tive Officer (CEO), and key executives, is also of particular interest to the Board, as is the development of human capital by the CEO. At that topmost level of the corporation, a clear understanding is needed by the Board of any capability gap that can have a dramatic impact on the business. This can involve executive replacement and retention strategies, in addition to benchmarking of CEO performance. Even so, executive search firms can play a valuable role in helping Boards of Directors in their management of corporate leaders.

It is also noteworthy that increased responsibilities and risks carried by Board Directors has forced them to become more interested in, and involved with, the businesses with which they are associated. It is because of this potential for personal liability that Directors, increasingly, monitor business performance. Boards also concentrate on risk management, corporate governance, accountability, probity and transparency. Certainly, Board-level effort is not just financial in nature, as is a general perception. Even environmental issues, employee safety and health, as well as human resource management at the employee level, have become accepted parts of Board attention.

Undoubtedly, Board Directors work toward improving the performance of organisations. They do so by keeping their point of view aligned with the vision of the business. They also monitor whether the related strategies are pursued. Yet, they do not, nor should, become involved in corporate issues otherwise. Any Board of Directors, therefore, must entrust the direction of the corporation to the CEO and members of the executive team who are responsible for managing risk, and planning for contingencies. As suggested earlier, the executives must also access information that is necessary for prompt decision-making. Thereby, the CEO and senior executives have the capacity to influence the operations and finances of a corporation. Accordingly, it can be said that Boards provide guidance, but no hands-on management.

As a result, the CEO and senior executives are expected to have a corporation-wide perspective, and to share responsibility for the well-being of the corporation as a whole. Accordingly, these executives should work as a team. In effect, the Board challenges this team and holds it to account for the organisation's performance. To all intents and purposes, the CEO