CONSUMER MANAGEMENT CAN BE OVERCOME!

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Abstract: Responsible management strives to think creatively, respecting the principles of responsibility and ethics, the objective of which is to establish long-term stability within the business environment. A manager's scope of activities mainly includes decision making related to changes (stimulating innovations) in order to react to dynamic development in the field of science, technology, and the needs and interests of the company. It is extremely important to stimulate employee motivation. Thus it is very logical to speak about leadership as the management process, and its innovations depend on people and their ethical allegiance to the management of the particular system. Opinions vary on the content of leadership. Leadership is most often associated with human resource management. That distorts and simplifies its content, such as innovation management theory and practice. For this reason, the text indicates some significant differences between the still applied management and leadership.

Simplifying this concept or misunderstanding its meaning contributes to reducing the effectiveness of innovation and thus to a further deepening of consumer way of thinking of the society.

In this text certain differences between management and leadership are indicated.

Keywords: Consumerist thinking and behaviour, Creative and ethical thinking, Responsibility and ethics, Responsible management, Corporate culture, Complexity of management.

JEL Classification: M54, D03, L29.

Introduction

At present, it is quite obvious that in order to stop the continuing ethical decline in business management it is necessary to promote responsible management and develop creative and ethical thinking, not only at all levels of the management vertical line of society, but in each of us, both privately and at work. The aim of responsible management is to build a relatively long-term stability within the business environment. This is a rather challenging goal, which is associated with considerable effort.

1 Statement of the Problem

The prerequisite for responsible management is to change the way we think. We must begin to strive for creative thinking in a way which will respect responsibility and ethics. [8] "Each author approaches business ethics in their own way, but they have several core topics in common. For instance the relation between ethics and the law, codes of conduct, ethics and the environment, working relations including discrimination or whistle-blowing, ethics in advertising and so on."[14]. If we agree with the view that only the responsible and ethically thinker can be an asset to the company and its sustainable development, then our reward will be the satisfaction originating from the success which has developed from our decision, not only for our own benefit, but also for that of others. One should bear in mind that achievements at work and in our personal life only brings satisfaction if they are reached transparently, based on an ethical attitudes and approaches.
Numerous theoretical attitudes exist that examine sustainability by means of more exact tools. “Some authorities have declared that a model should make it easy to identify possible ways for improvement. It is a great advantage of clarity in the use of graphically interpretable mathematical modelling tools”. [11] In direct contrast to this view is the deepening consumerist thinking, which is harmful both for individuals and for society. Consumerist thinking and behaviour is widely accepted at the moment, because unfortunately, it is more pleasant than responsible business. This kind of thinking seems to be well-established in a certain area of society, often in the people who should be leaders or models in terms of ethical and responsible business. Some of the authors mention different tools contributing to the enhancement of testing of such phenomena. In regard to the difficulty of grasping them exactly, it seems that mathematics-oriented attitudes play an important role in the process, however, mostly as a means of the support and optional verification of the decision-making processes in context of sustainability. “In the model we result from the fact that there are set inputs, outputs and activities which a certain subject, for example region, can perform. Outputs are determined by inputs and activities which transform inputs to outputs; each activity corresponds to a set of inputs and a set of outputs”. [12]. The consumerist life-style is developing dynamically, constantly deepening and intensifying, thus driving both individuals and society towards life and existential problems. Consumerism is alluring and therefore manifests the constant growth of claims for the elective needs of society. According to the general consensus of opinion, the current legislation does not stimulate preventive thinking. The concept of responsible management is based on ethical thinking and requires a creative and systematic approach to management activities, particularly in the field of human resources. The reason is that in terms of success, the decision-making process and its implementation depends on people and their motivation. It is also important to view an organization as a system. “The system is generally characterized as an organized unit or a set of objects and their mutual relations that, as a complex, show certain behaviour described e.g. the system functions. Information systems are open, they can form a part of other system or they are surrounded by other systems where information exchange occurs. Each system presents certain dynamism in terms of communication between the objects and systems, but also in terms of mutual influence of the system structure and its development.” [9]. At its outset it is only seen as a more comfortable life, however, it gradually increases the demand for growth in living standards. This is a rather non-transparent development, as it is not associated with responsibility and increasing labour productivity. When the level of consumerist behaviour in society spawns, the return to ethical thinking and responsible management may be drastic. The current state of the economy and the present social situation quite clearly indicate how harmful the absence of ethics in management actually is.

It confirms the fear of further development of the market environment, since the development of globalisation greatly intensifies international cooperation. Our economic dependence on international commercial relations not only needs to enhance ethics in relation to domestic organisations, but also with those abroad. We need to link our growing prestige with improvements in the field of our corporate culture.” It is necessary to realize what is the object of professional ethics attention when forming ethical viewpoints in corporate culture. In particular it is the area of morals which is connected with conscience and personal persuasion of a staff, and the area of social rules which are applied to correct and incorrect behaviour. At the same time one cannot miss good manners, social standing and politeness which play a key role in corporate culture.”
Our organisations are even evaluated as to whether their cooperative relations can be considered for a reliable partnership. Imbalances of this kind are reflected in an undesirable way through the lack of accountability in interpersonal relationships and eventually through consumer way of thinking and behaviour.

The opposite side of responsible management is manifested by consumerist thinking, which in turn adversely affects the work of individual organisations and the business climate within companies. The dynamics of consumerist factors stimulating consumer way of thinking

- Formalness – the manager thinks and works "like", the attention is focused on the rhetoric rather than on creative management. The importance of ethics is recognized, but ideas are not clear about its content and form of the consistent application in practice.

- Routine and lack of creativity in management - the manager assumes that if he/she has once succeeded, then it always be like that, expecting specific instructions from the theory on how to manage their organization. Management theory is a general method of work - not a specific guide (cookbook) to manage a particular organization.

- Organizations behave as absolutely isolated systems – they do not admit their responsibility for the process of sustainable development of the society. They are systems with inputs, outputs, internal structure and feedback.

- Decision-making is solely based on measurable properties and values of the phenomena managed (indicators), the importance of the quantitative values tends to be overestimated and their qualitative features and capabilities are not respected.

- Imbalance in the relationship between stimulation and motivation of workers. Not every manager is a leader - not stimulating motivation of the staff. Concentrating on the physical form of stimulation overrates quantitative forms of management. Underrated is the importance of leadership that promotes the win-win method in the negotiations.

- If stimulation of the manager is higher than that of the staff = necessary to deepen leadership (staffing, communication, higher qualifications...) If motivation of the staff is higher = necessary to increase the quality of the manager's work.

- Managers do not act as leaders – they are not role models for their subordinates, requiring behaviour that they do not observe themselves, negotiations are not transparent, and agreements are not honoured. Actions Speak Louder Than Words.

- It is the "I" before "We" that wins in management, selfishness and envy is the opposite of modern human resource management and teamwork - creating conflicts and deepening consumer behaviour.

- Organizations are working in short terms - their strategic goal is not to win and keep a good name. The strategy is to create long-term goals and ways to achieve them. It is implemented by means of tactical targets [5, 9, 19].
Consumer behaviour can be prevented through:

- **Education and training:**
  - In the family;
  - continuous and lifelong learning;
  - be both a synthesist and analyst - both types of workers are needed;
  - in business and social organizations - employers are responsible for activities of its employees;
  - stabilization of the staff - minimizing undesired fluctuations.

- **Deepening of ethical thinking and behaviour:**
  - Ethics-based system of sustainable management;
  - concretization and application of ethics in management, monitor the development of ethics in management and apply in the organization;
  - monitor the benefits of ethics in the organization and penalize implications of non-ethical management;
  - promote ethical thinking in strategic decision making.

- **Overcome adverse effects inside us, in the company and in the society**
  - not to admire consumption and not to consider non-ethics to be "hard business";
  - publish ethical attitudes of managers and their achievements;
  - prevent unethical decisions – precisely identify the problem, consider the decision based on knowledge of own capabilities;
  - partnership is responsibility (win-win);
  - develops teamwork, association of thought, human resources management;
  - deepens the identity of workers to the organization.

- **Stabilizes quality workers - undesirable turnover is expensive**
  - the management implements innovative process of organization;
  - observe the rules of the innovation process - continuity, comprehensiveness, consistency, implement innovation at an appropriate time;
  - respect the uniqueness of the controlled object and its surroundings (specific conditions to be understood as a reserve of the business);
  - managed phenomena have both measurable and immeasurable qualities (ethical decision respects both qualities of the phenomena).

- **Dynamics of the development impacts on the effectiveness of all (routine in the management destroys creative work)**
  - not evaluate the success of a decision (innovation) in short terms, because even economic innovations have 3 stages: enforcement, boom wear;
  - corporate culture provides goodwill to the managed organization;
- short-term profit maximization is associated with consumerism;
- goodwill of the organization results from prosperity, ambitious innovations, long-term and stable market position and ethical satisfying of the needs and interests of the economic and social neighbourhood.

Responsible and ethical management requires not only a change in thinking, but also in legislation that should provide space for creating ethical conditions for equal application of innovation in the current management practice. What kind of conditions there should be and who and to what extent should start them so that ethics in management and business begin to develop across the board. Most often we hear the answer that everyone should start immediately and with themselves. But how to ensure such a situation so that an individual who begins with themselves does not lose money after applying ethics in the business and, on the contrary, the other one does not benefit if starting slowly with the application and variously strategize in the process.

Or, if the opposite of ethical management and business is the consumer society, till when we can consider meeting the needs and interests of the market to be ethical and in which stage of development it begins to be unethical, undesirable and consumer. It is when the pace of production and effort after quick profit maximization is associated with, for instance, a reduction in quality or debt overhangs of the company.

Responsible management must monitor not only the benefits but also the pace of the dynamics of past trends in the disciplines of science and technology to decide well on strategic changes in the managed object under the current conditions. Thus is the development of management associated with conditions of the innovation process management, and vice versa.

Technical sciences also increase their effectiveness when connecting the application of their own results in practice together with adequate development, e.g. economics and management, legislation and public administration, etc.” It should be noted that ethic management requires both quantitative as well as qualitative attributes of economic, social, technical and political aspect managed.”[15]. Only if cooperation is good, effective development of the company is developing. Of course, the practice will not manage to ensure that the development and application of new knowledge in the practice run in parallel in all sectors, to which a particular solution applies. It would definitely be better, however, if the retardation of other fields of science behind the development of technical sciences shortened than vice versa.

2 Management and Innovation

A new direction in management philosophy promotes a systematic understanding of managed entities that cannot exist without the active cooperation with their own economic, social and political environment. This brings us to the system seeking the causes of the current development of the business and social environment that has been shaped by the theory and practice of the management implementation.

In terms of the present state of our economy, politics and social levels of society, a significant cause lies in the very philosophy of management. The currently applied management philosophy has already passed two centuries of existence and does not reflect the dynamic development and current needs of society.
The imbalance in the development of technology and management theory gives the possibility of different interpretations. Although the company is considered to be a system, we would prefer it to act as if it were independent of its surroundings, i.e. as an isolated system. If you do not respect the dependence of your surroundings, you risk achieving sustainable development.

Another drawback of current managerial work is the routine. It is most visible in small and medium-size enterprises, which are not affected by the management of foreign companies. Using routines within management work results in a number of issues.

Conditions have been developing dynamically so our good decisions from the past may no longer be effective in the present. Therefore, routines in management may bring a good experience, however, with all the imperfection of the past.

The dynamic development of the company requires creativity that corresponds to the present level of the scientific and technological development. The management of the controlled entity should therefore be considered as a management tool in the innovation process, which requires compliance with innovative rules. Every manager's decision should be based on a though-provoking innovation, with relevant importance and impact upon the controlled entity.

We are aware of the fact that the results of each organisation's managerial practices not only influence both the controlled entity, but also the surroundings. The absence of ethics and accountability in management is always associated with decreased transparency, and consumerist thinking not only deepens the thinking of employees, but also their surroundings. Because it is people who bear ideas, create ideas and implement them, we need to pay utmost attention to leadership.

The impact of humans on the development of companies has a dominant influence. We must therefore make every effort not to be influenced by projects that are based on negative innovation. Negative innovation, as a result of unethical thinking, begets consumerist thinking, which is reflected negatively in management work as well.

**Management = Control Over the Innovation Processes in the Company**

Managers are often lacking any respect to specific conditions in the company. The uniqueness of the controlled entity results from the disposition of its internal structure and the influence of the needs and interests of its economic and social environment. If the managers are able to intensively perceive and verify the uniqueness of the controlled entity and the effects of external influences, they are able to gain a more successful position within a competitive environment. It is important to link the uniqueness of the controlled entity with ethically applied marketing to respond to the dynamic development of science, technology, fashion, ecology, etc. The management must react to new trends flexibly and operatively. The role of the manager is to make competent and creative decisions in a timely manner. It is up to the manager how the dynamics of flexibly changing needs and interests around the organisation respond.

Through deciding on the strategy and tactics of the controlled entity, the manager is also involved in the creation of the economic, social and political environment. Therefore, they bear their share of responsibility in the development of the business environment. The manager's decision-making process is therefore considered as a dominant role of strategic and tactical management within the organisation.
Thus, if you take the general changes in the evolution of the current conditions for innovation, the role of the manager changes in the management innovation process.

It is a matter of fact that innovations differ in order, importance, as well as in their positive and negative impacts. Innovation, like any change in a particular phenomenon, does not develop isolation. If the manager effectively decides that they cannot evaluate the development of company phenomena in isolation, they have to include all connections and relationships involved in this development. The output of the decision-making process is therefore a decision that changes the current events in the development of the internal structure of the controlled entity and, depending on their hierarchical order and importance, affects the environmental influence as well. Within this context we should mention sources of information, as they are closely linked to the decision-making process.

- This refers to information obtained through personal communication. Even the most objective source must reckon with the possibility that the information provided is marked by the informant. The form of communication or even the informant's tone may modify the quality of the content or the importance of the meaning. This does not mean that we should avoid personal communication, however, it is worth verifying the information and comparing it with the opinions of other people, with information outputs from analyses, from statistical examinations, and not least in the ethical attitudes of the informant.

- Indispensable information for executive decision making are internal resources within the company. They are largely financial and statistical evidence, which is methodologically controlled by legislative regulations. Furthermore, additional written information may be processed according to the user's instructions and needs. This type of information follows from internal documentation or surveys focused on opinions, interests and needs for external sources of the company. The information collected in this way is rather quantitative, as it only covers measurable features of the company phenomena, and is therefore incomplete.

We still have to keep in mind that the quality of information as an input into the decision-making process determines the quality of the decisions. Just by chance, it may happen that on the basis of incorrect or incomplete information a manager comes to an effective decision. Thus, the information about the development and needs of the internal structure and the surroundings of the controlled entity is the input in the manager's decision-making process. This involves examining, reviewing, processing, and transmitting the output of their work to their surroundings, usually in the form of an order or decision.

The innovation process begins at the stage of a manager's idea, which represents a stimulating innovation. It is usually presented as a specific instruction and should work as a stimulating innovation.

Therefore, the output from the manager's decision-making process should be taken as the stimulating innovation. It stimulates formation induced innovations that support the implementation of the manager's stimulating innovation in related areas and the particular levels of the company management structure. Stimulating and derived innovations together create an innovation network. Its aim is to ensure comprehensive executive decisions implemented in an adequate quality, time and scope.

The stimulating innovations are communicated from the top manager to medium or subordinated company management vertical levels in order to stimulate the creativity
of the people at this particular management level. The results from the developed stimulating innovation should further stimulate the subsequent management level within the company management vertical line.

Participation in the decision-making process of the top manager is an effective result of teamwork that enables the complexity of the manager's thought-provoking innovations within real conditions at the particular company organisation levels. The effectiveness of the innovation process is enhanced by teamwork at particular management levels and the collaboration of all employees during active implementation of the innovation process of the strategic development of their company. It may happen that a specific management level fails, which results in an undesirable decision with negative consequences within the innovation chain, in other words, a poor quality (adverse) innovation process is developed. The cause may be, for example, poor processing and evaluation of collected information, incomplete information, or wrong methods applied during the decision-making process. Of course we do not want to think about of intention. Application of ethics in management overcomes the growth dynamics of the development of consumer attitudes and demands of companies. Requirements begin to exhibit for growth of remuneration without being associated with an increase in its productivity. That is reflected in efforts of producers to maximize quick profits in order to satisfy their own ambitions and requirements of certain employees or partners. If efforts to maximize and accelerate profits of producers and their workers are not associated with the efficiency of labour productivity, there arises a spiral of undesirable effects and intensity of adverse impact on the business and social climate of the society.

The application of ethics in management and business hampers:

- Insufficient awareness about the content and importance of ethics in business;
- Ignorance of the importance of ethics as a system of thought and work. The content of ethics is restricted in practice, most often morale that is associated with religion;
- If families, schools, the media and even laws do not sufficiently lead to ethical thinking, thus programmatically leading the company to deepening of consumer thinking and behaviour, which is a source of enrichment for some entrepreneurs;
- If ethics is associated with etiquette;
- If business is not associated with strategic thinking and decision-making.

Ethics increases demands of management.

- Post-war economic development is increasingly focused on measurable values and quantitative evaluation of results of the work. On the other hand, ethical management demands the respect of not only quantitative but also qualitative values of the managed phenomena;
- It is not believed that ethics can pay off if, conversely, non-ethics bring success to some. Some even admire and promote unethical methods in business and the society fails to prevent it sufficiently;
- Instability of internal and external business conditions restricts management to operative work and hinders strategic and tactical decision-making that is a source of stability;
- Amendments to the legislation and implementation of comprehensive reforms does not correspond with the rate of dynamics of the development of new methods of business activities;
- Justice system fails to resolve disputes quickly enough, thus reducing the educational effects of the law [7, 10, 11].

3 Problem Solving - Responsible Management

It is important to overcome the established routines and methods of a deformed management style. Routine in management requires promoting innovation of the highest order, both in theory and in practice. To be able to design and implement such a high number of innovations, all responsible workplaces within the company management vertical line must be involved. It is vital to stimulate adequate motivation in the people in management positions who strive to design and implement their corporate strategy. The organisation’s management is therefore considered as an innovation process with the active participation of all its employees.

Speaking about the management, we usually mean the business management, and often neglect public administration management, whose activities need to be systematically innovated in compliance with the needs and interests of society as well. As regards the theory of public administration management, the same content and the same management rules apply. However, both in company management and in public administration management, we have to respect the uniqueness and the specific conditions, which are present in both areas.

It should be emphasised that when speaking about management, we mean innovative management, which is more like leadership. Until recently, the term "leadership" was related to the management of people. In fact, it means projecting innovations in the management process as such. Thus, we may call this process the "management - management", which sounds rather awkward.

Therefore, it is very logical to introduce the concept of leadership as both the management process and its innovation depends on people and their ethical allegiance to the management of the particular system [2, 8, 14].

Let us, therefore, suggest some differences between management and leadership (Tab 1):
<table>
<thead>
<tr>
<th>LEADERSHIP</th>
<th>management YES</th>
</tr>
</thead>
<tbody>
<tr>
<td>* every manager is a leader</td>
<td>* leadership does not follow from the function</td>
</tr>
<tr>
<td>* leadership is the goal</td>
<td>* leadership is the process</td>
</tr>
<tr>
<td>* focused on technology</td>
<td>* fosters corporate culture</td>
</tr>
<tr>
<td>and management organisation</td>
<td></td>
</tr>
<tr>
<td>* short-time solutions (tactics)</td>
<td>* long-term solutions (strategy)</td>
</tr>
<tr>
<td>* management is the experience</td>
<td>* leadership is creativity and innovation</td>
</tr>
<tr>
<td>from the practical work</td>
<td></td>
</tr>
<tr>
<td>* management is a reaction to issues</td>
<td>* leadership anticipates issues, examining their causes and relationships between them</td>
</tr>
<tr>
<td>* contradiction between words and actions</td>
<td>* example both at work and in personal behaviour</td>
</tr>
<tr>
<td>* evaluation based on quickly measurable</td>
<td>* evaluation based on complex thinking, taking results (quantitative) into consideration benefits resulting from qualitative – non-measurable results</td>
</tr>
<tr>
<td>* issues solved for immediate effect</td>
<td>* decision-making for the future</td>
</tr>
<tr>
<td>* thinking in the sense of &quot;ME, MYSELF&quot;</td>
<td>* thinking in the sense of &quot;WE&quot; (teamwork)</td>
</tr>
<tr>
<td>* profit at every cost</td>
<td>* respect to the ethics in management and business</td>
</tr>
<tr>
<td>* to be the leader, it is not a definite professional status</td>
<td>* leadership responds to changes in the development</td>
</tr>
<tr>
<td>* stimulation of employees does not mean them effective ethical stimulation</td>
<td>* motivation is the adequate reaction to corrupting</td>
</tr>
</tbody>
</table>

Source: own
4 Discussion

Until recently, partial innovations have been implemented within management work, mostly focused on the management techniques and technologies. This focus has contributed to the acceleration of communication of company information and analysis of the information about the results of the companies, but has not included complex monitoring of the organisations' effectiveness and efficiency. We used to focus only on monitoring and evaluating measurable parameters of economic and social phenomena, which are shown by means of company indicators. This does not provide relevant information about the quality and ethics of the measurable parameters of the implemented activities, and it does not provide much information about the ways in which the results had been achieved.

If we evaluate the performance of a company or an organisation, following from information about the management development of both qualitative and quantitative characteristics of each particular activity, we get comprehensive factual information about the real success or failure of the management. At the same time you protect the organisation against unethical development, contributing to the anticipation of crisis conditions within the organisation and society. Effectiveness of the results of technological development can be, to a considerable extent, relatively successfully quantified and evaluated. In the field of management, this situation is much more difficult, since it is limited to measurable, thus quantifiable results. In addition to quantitative dimensions, comprehensive evaluation also depends on the philosophy and methods to achieve the results. Therefore, monitoring quantitative achievements of management tells only a part of the story of the success achieved, because we do not monitor their qualitative contribution that increases or decreases the contribution of quantitative results.

Conclusion

To increase the efficiency of management, decision making and its efficiency in the current practice, we must again speak of complexity. Assuming that each executive decision should be an innovation, or a stimulating innovation, it is necessary to stimulate creation and operation of induced innovation with subordinates so that such a management system is
implemented in the various subsystems of the managed object that meets this requirement. We are talking about the responsible management system.

The reality of the development shows that when we talk about connecting the science and technology development with other scientific disciplines, we stress the need not to restrict the success of technical sciences, but to pay attention to the dynamics and complexity of developments in other fields of science. Comprehensive development of the company is achieved when the dynamics of development of the related fields of science seeks to approximate the dynamics of technology as close as relatively possible.

At present, we are well-aware of the fact that the reach of interpersonal relationships has considerably grown. We need to keep in mind that it is people that represent the managerial ethics and responsible management. Therefore the impacts of unethical conduct are spreading over local boundaries much faster, which may adversely affect not only the corporate reputation or corporate culture, but the whole of society as well. On the other hand, without integration into the global structure, it would not be possible to generate sufficient quality and quantity of the production to meet the required needs of people.

References


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