

To think new is to act new

By Björn Bjerke*)

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Thinking is intimately related to acting. If we think in terms of progress, we plan for it, if we are not progressing any more, what is there to think – and to do? This article argues that mind (and the set of actions available) is limited by our mental concepts. New economic need of entrepreneurship requires that we should think of »languages and point of views« instead of »models«, »genuin uncertainty« instead of »planning«, »processes« instead of »structures«, »actors« instead of »systems«, »networking« instead of »marketing«, »entrepreneurship« instead of »management« – and act accordingly.

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1. Background

It took several years before we seriously realized in our country that something grave has happened to our economy. Meanwhile we have lost market shares in relationship to other OECD countries. There are even those who say that Swedens (and the rest of the industrialized worlds) period of grandeur is over. »New« markets, developing country types, cannot save us. And »old« markets have disappeared!

The situation in industry of today is different compared with yesterdays. To continue hiding behind our past is the same as confirming that our economic high power period is over.

Our market has disappeared! Is there any real demand for USA:s and western Europes traditional products? Who are the buyers? Developing countries? Particularly South East Asia is developing its own high technology.

The situation has been characterized in many different terms. Concepts like structural crises, bad productivity, thin profit margins and high cost of labour flourish in this connection. Reports from the Boston group, OECD and Swedish Board of Technical Development speak of need of renewal and creativity.

One has tried to find good examples. During the 60ies it was USA, during the 70ies it was Japan. Today one speaks of a Swedish model, without being very clear of what it is. One admits that it is impossible to be good in everything, rarely best in more than one thing. One is looking for what is typical Swedish. One wants to export know-how, ability of organization, science, medical results and our long experience from administration in a public sector.

An industry built on the economy of the long series is very vulnerable at economic recessions. Low productivity is there. The efficiency goes down, among other things because everybody knows that more and more personnel must go. Security, guards and controlling persons increase in numbers, personnel that is not producing new goods but protect the old ones. Number of hours of manpower per produced unit is however increased this way.

When we finally, individually or in group, are looking for economic security – by artificially constructed jobs or by subsidized units – we

decrease the developing speed together and contribute to a paralysed society.

And this is done when we need mobility at the most.

2. Where do we find the possibilities?

In the same time it is so, that small companies produce in a relative sense quite a lot of innovations, they are very often suitable partners to the big companies (they complement each other), they can contribute to the vitalization of the big companies and they generally stand for more openness and flexibility in the economy, which today is assessed so highly. It can be expressed so, that »the fates« of the small and big companies are and will bli more and more intimately related to one another. It is the »systems« of different companies and the dependence between them that more and more come to the front in the debate of the society and business (1).

An interesting question is in a situation like the present one, where it looks like the established companies can well manage the big deals but not the small starts. *How to unite the entrepreneurial culture of the small company to plant this into the sometimes rigid form of the big company?*

Like never before it is necessary to understand entrepreneurship in a society, where the speed of change is higher than ever, where the technical development is enormous, where consumers attitudes, leisure habits and pattern of behaviour are in continous transformation and where we meet more and more industries, that have to be vitalized by diversification in order to survive.

3. Entrepreneurship and lack of insight

In our country there is no shortage of ideas. What is missing is by and large knowledge of what entrepreneurship is all about, what it stands for and organizations and action power to implement it. The knowledge we have is mainly built on USA.

Entrepreneurship is the step between »wanting to do« and »having it done«, a step that sometimes can be short but of crucial importance.

Entrepreneurship as a subject seems to be growing. This can be noticed in universities at technical and business departments, in critical industries, in the public debate and in different campaigns and courses. The number of books, publications and articles that are about entrepreneurship seem to be rising. Increased activities can be noticed from governmental and other public authorities. Besides, more and more political statements go in that direction lately.

But there are several obstacles to overcome. In a survey to determine problems and possibilities in companies the list of the ten most difficult problems became (2):

1. Low propensity to risk.
2. Lack of time and resources.
3. Tight time schedule.
4. Static and rigid organization, strict limits between different positions and departments.
5. Resources for quick investment in new ideas outside the regular working area are missing.
6. NIH-barrier – not invented here.
7. Thinking determined by offices and positions.
8. No proactions.
9. Internal communication is poor.
10. Creative individuals are promoted, so that they can no longer be creative.

I believe that enumerations of this kind are hiding the most important matter:

LACK OF INSIGHT

In the beginning religion stood for all trust-worthy testimonies of reality. Philosophy came. Logic, mathematic etc. In our time we are gifted business problems, psychological problems, ecological problems, and so on. Every area is defining reality from its models and create a language for its way of looking. In every area definitions become more and more total. The picture of reality that is brought forward in language becomes more and more self defining and will contain its own legitimizing explanations. At the end language becomes a handbook of all that cannot be said.

The risk is obvious that what is stuck in such a totalizing environment gets a built-in mechanism that will be disturbed by new thought. The continuous change is slowing down, the eyes are misted and the growing institution is becoming a tourist in its own reality. Shortly, the future of new business ventures in big companies of today is statistically very miserable (3).

4. To think new....

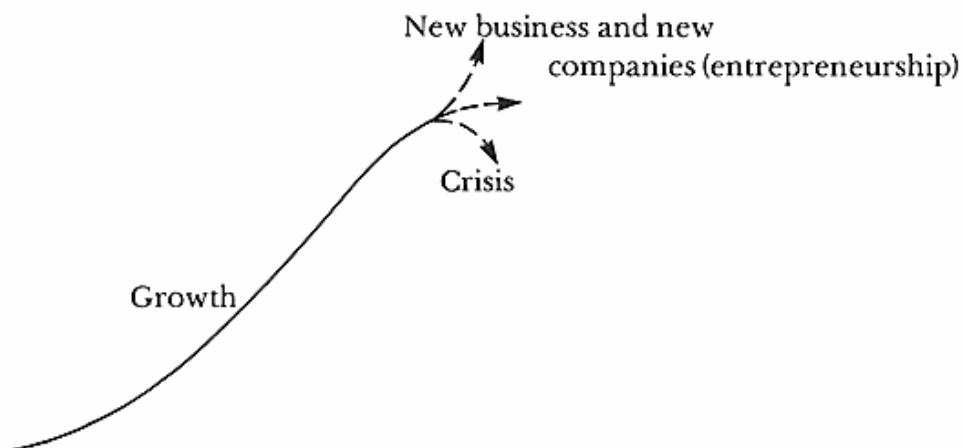
Traditional views:

models
planning
structures
systems
marketing
management

New views:

languages and point of views
genuine uncertainty
processes
actors
networking
entrepreneurship

To the left is listed what can be indicated views and concepts, that have been developed during a period of growing economy. We are educating our economists and business administrators by these views today. But in a situation, where the market has stopped growing or disappeared, where thinking is standing still and where a crisis is threatening behind the corner or is already noticed, new orientations are necessary. We can compare the situations in a simple growth curve:



Thinking in terms of *models* is very common in business administration, i.e. to *picture* different complicated situations in simplifying illustrations. But what is more and more obvious is that language and thinking (and acting) are becoming one (4). Furthermore, it is too common that business economic models do not contain the subjective possibilities of man. Naturally those involved do feel alienated in front of models of the type investment calculations, organizational charts and CPM and PERT diagrams. What is needed is instead a purposeful *language*, a problem oriented *point of view*, which basically gives the possibilities for man to act as man to *interpret* his situation and to *create* opportunities for success.

In a growing situation there are some possibilities to forecast. This is necessary in order to make *planning* possible. But when this situation is no longer there, one has to accept that future contains *genuine uncertainty* (5), which cannot be analyzed away.

In a situation with stable growth one can build up *structures*, which can be appropriate in this phase. When new orientation is necessary these structures can be an obstacle (6), where procedural rules are over-emphasized. At the very most a renewing *process* in a more successful direction can be started.

Systems thinking has dominated business administration in theory and practice in more than ten years. Today this approach has influenced thinking (and action) to such an extent that you can even here statements of the following type: »I cannot do anything about the situation. I am just a part of the system«. In a situation where new ventures are necessary another approach, what can be called the *actors* approach (7), is necessary. This thinking takes care of and facilitates the intrinsic creative ability of human beings.

Marketing is a must in a situation of growth. But what happens when there is no market to bring the products to. A modern point of view is that then it is necessary to be intimated with different environmental elements, this in order to create a possible future together. A concept brought forward here is *networking* (8).

Managers are needed to plan and to supervise that development is going in the intended direction. But when to change direction an extensive action, *entrepreneurship*, is needed also from the executives point

of view. If things work the way they are planned the best action from the managers can be not to do anything (management by exception). But in a critical situation things are not working the way they are planned. To do nothing in such a situation can only lead one way, to death.

5.is to act new

Many readers will at this stage not like to be called »traditional thinkers«. Many will also suggest, for example that »Planners know that sometimes there are genuin uncertainty which cannot be planned away« or »We build systems that consider the actors«. I believe that such points of view are missing the issue. I do not deny that in some states of business, models can be useful, planning should be done etc. But, in a situation where one gets stuck – and many companies have done it – linear thinking only leads to a fixation of status quo, not to a basically new opening. As Max Weber once said: »A compromise is not one step closer to truth than what the compromise is built on!«.

We can never get rid of the power of words and thought. If we want to act in a new way – and I mean a *new* way – we must think in a new way. To exemplify, it is quite rare to have a process orientation in entrepreneurial matters, at least such an orientation with a practical ground. And the thinking of systems and management has outplayed its role in more and more situations.

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