



#### **Business School Research Group**

# Symbolic Management Creative Marketing

"Therefore we will not listen to the source itself in order to learn what it is or what it means, but rather to the turns of speech, the allegories, figures, metaphors, as you will, into which the source has deviated, in order to lose it or rediscover it – which always amounts to the same."

Jacques Derrida

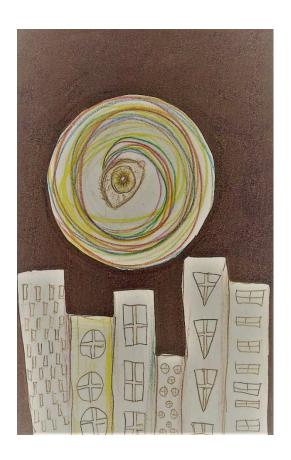


#### Contents

N	IANAGEMENT	3
	SYMBOLIC IMPRINTING AND TRIGGERS IN ORGANIZATION CONTEXT	4
	SYMBOL WITHIN CULTURAL ENGINEERING PROCESS IN ORGANIZATIONS	7
	RESEARCH METHODOLOGY FOR STAFF MOTIVATION & VALUES-BASED FRAMEWORK WITHIN EDUCATIONAL INSTITUTIONS	
	სამსახურით კმაყოფილება/უკმაყოფილების განმსაზღვრელი კრიტერიუმები (კერძო და საჯარო სტრუქტურა)	17
	THE ESSENCE OF STRESS AT WORK AND ITS IMPACTS ON HUMAN BEHAVIOR	26
	GAMIFICATION PRACTICES IN HUMAN RESOURCE MANAGEMENT FOR BUILDING A HIGH- PERFORMANCE WORKPLACE	32
	KNOWLEDGE MANAGEMENT DETERMINING SYMBOLIC CONTEXT IN ORGANIZATIONS	44
	LEARNING AS THE MODERN CHALLENGE OF ORGANIZATIONS	50
	SPECIFICITY OF STAFF MOTIVATION & VALUES-BASED FRAMEWORK WITHIN EDUCATIONAL INSTITUTIONS	
	СИМВОЛИЧЕСКИЙ МЕНЕДЖМЕНТ В ИНФОРМАЦИОННО-КОММУНИКАТИВНОМ ПОЛЕ ОРГАНИЗАЦИОННОЙ КУЛЬТУРЫ	57
	ROLE OF FUN AS AN ELEMENT OF TEAM CULTURE IN ENHANCING INTRINSIC MOTIVATION	65
	СИМВОЛИЧЕСКОЕ ПОЛЕ В МЕНЕДЖМЕНТЕ СОВРЕМЕННОЙ ОРГАНИЗАЦИИ	74
	MANUS SYMBOLICUS AS A NEW GENERATION IN SYMBOLIC MANAGEMENT	82
	SYMBOL AS A SOCIAL MECHANISM OF CULTURAL CHANGES IN AND OUT ORGANIZATIONS	88
N	1ARKETING	95
	THE ROLE OF MARKETING IN GLOBAL AND LOCAL APPAREL INDUSTRY	96
	POST-SOVIET GEORGIAN APPAREL SECTOR OVERVIEW	.102
	HOLISTIC MARKETING AND ITS IMPORTANCE TO GEORGIA'S APPAREL SECTOR DEVELOPMEN	
	AN INVESTIGATION OF MARKETING INTELLIGENCE AS A STRATEGY TO ENHANCE	
	COMPETITIVENESS IN THE APPAREL INDUSTRY	.112
11	NEORMATION AROUT THE AUTHORS	153

#### **MANAGEMENT**

Management in contemporary organizations with the focus on flexibility and dynamism includes the responsibility not only for the results, but for ideas as well. The context beats the form, and manager's attention falls onto the symbolic organizational processes, including building values system, caring about employees' well-being, generating positive emotions, coaching for better performance, active engagement and boosting creative thinking.



# SYMBOLIC IMPRINTING AND TRIGGERS IN ORGANIZATION CONTEXT by Dina Aslamazishvili, 2018

It is not enough to pick up isolated data of our experience; we must really *re-collect* them, we must organize and synthesize them, and assemble them into a focus of thought. It is this kind of recollection which gives us the characteristic human shape of memory, and distinguishes it from all the other phenomena in animal or organic life [1]

#### E. Cassirer

Nowadays organizations represent complex systems with many interrelated elements, and within the system it is included human (employee or manager). Human being is a complex system itself and deploys its elements as well in the synergy of organizational life. This human as a system element is 'homo symbolicus' with eternal need to cognize and understand the surrounding reality. In human perspective the need for world cognition becomes the problem of world construction with the help of symbolic forms. Mostly known symbolic forms in human cultural expression are science, religion, language, philosophy, history, myth. Human being needs symbolic transformation, so transforming empirical and emotional data into symbols, this is the way of person – environment interaction. Susan Langer in her observation of symbolic underlines that symbols present not the objects but are transferring specific concept on those objects [2]. So, symbols and symbolic in organization transfer the concept and context on the common objects, operations and actions.

Human being surrounds his/her activity by many rituals, when people get together they 'organize' these rituals in such a way that they constitute tradition, and in some sense with the mental field intervention as well culture (something defining behavior opposite to nature). These surroundings have symbolic nature, and brightly are deployed in organizational life, where group of people with specific structure define specific purpose. The 'people' component

creates additional complexity for the system managers need to plan, organize, lead and control in.

Where there is a person, there always will be symbolic tension in meanings, even words constitute this symbolic tension, like the energy of meaning or content transfer. Ernst Cassirer defines that symbols cannot be reduced to mere signals. Signals and symbols belong to two different universes of discourse: a signal is a part of the physical world of being; a symbol is a part of the human world of meaning, as signals are 'operators'; symbols are 'designators' [3]. Imprinting is mostly studied in animals, less in human psychology. In its genesis it means 'stamped in' impression, tactile, visual or sound memory. It is like the selective fixed information in memory. All people have periods when their memory is sensitive to imprinting, so some environmental events can be stamped in, and influence decision, behavior and even values choice in the future. Symbolic context of organizational life (interactions, communication, relationships, decisions, job satisfaction etc.) creates the situation for human sensibility, as it is the situation of suspense (border situation). Mircea Eliade specified that rituals open the suspense situation of a humankind; it is a situation where human realizes the place in the world. Symbols' function in Eliade's interpretation, is to open the whole reality, other means are not able to do [4]. Karen Svasian states that there is no symbol itself in any of its forms; its being is in metamorphose, is forms transform [5]. So, symbolic situation is a situation of transformation, and symbolic imprinting gets its place in these situations in organization. Social imprinting is presented in the number of imprints among people, like basic principles, values, stereotypes, which in their turn define the attitudes towards leadership, discipline, ethical issues etc. Symbolic imprinting means stamping in memory some transferring values and meaning interpretations, which define the actions and behaviors. For example, in organization symbolic imprints can be values important for the group of people and successes they experience together. The symbolic imprints are deployed in meanings and understanding employees hold about organizational goals, priorities, can be transferred into

job satisfaction, attitudes and decisions.

Symbols in imprinting process can be understood as meaning triggers. Triggers are the factors of the external environment which start specific behavioral mechanisms. In some sense symbolic imprints are displayed in the reactions on triggers in organization. So, in the specific situation people release these imprints in its understanding and interpretation, which in its way lead to the specific behavior. Marshall Goldsmith [6] in his view on triggers in life and workplace underline the importance of self-awareness in making decisions and choosing the style of behavior. Struggling with triggers is especially difficult what they have symbolic context and are based on the symbolic imprints, not changeable over time.

Managers in organization usually deal with the results of triggers and symbolic imprints within the context of employees' behavior and learning. Additionally, organizational culture creates the symbolic context for the potential suspense situations, where new imprints can originate. As Mats Alvesson in his book organizational culture differentiates organizational results, following Pfeffer's symbolic management, as objective (measurable) and symbolic (attitudes, emotions, values, perception). Symbolic results from managerial actions and decisions create the opportunity for creating mutual understanding of the organizational goals and social reality events [7]. Symbolic imprinting and triggers play a very important role in this organizational context. Organizational culture is analyzed by Alvesson like the complex model of meanings, ideas and symbols [Ibid.]. Symbol creates a meaning context, transferring context of reality, and symbolic imprints make employees understand specific goals and events on the irrational level. Triggers can make symbolic imprints work out, and symbolic management can deploy the mechanisms of awareness in such a way that they will help employees get better results and stop the to demonstrate blindly some programs in their behavior.

#### References:

- 1. Cassirer E., An Essay on Man, Yale University Press, 1972
- 2. Langer S., Philosophy in a New Key. A Study in the Symbolism of Reason, Rite, and Art, Respublica, 2000 (Russian translation)
- 3. Cassirer E., An Essay on Man, Yale University Press, 1972

- 4. Eliade M., Images and Symbols: Studies in Religious Symbolism, Princeton University Press, 1991
- 5. Svasian K., Problem of symbol in contemporary philosophy, 2000 (In Russian)
- 6. Goldsmith M., Triggers: Creating Behavior That Lasts-Becoming the Person You Want to Be, Marshall Goldsmith, Inc, 2015
- 7. Alvesson M., Understanding Organizational Culture, SAGE Publications, 2002

# SYMBOL WITHIN CULTURAL ENGINEERING PROCESS IN ORGANIZATIONS

by Dina Aslamazishvili, 2018

Pay heed, my brothers, to every hour where your spirit wants to speak in symbols: there lies the origin of your virtue [1]

F. Nietzsche

"Culture" in casual Latin language meant land cultivation; later human education and learning. Later Marcus Tullius Cicero and Plutarkh expanded culture into a complex context by adding "animi" (from "animus" – spirit). So "cultura animi" – cultivation of the spirit, got meanings like self-cultivation, self-creation, and care for the spiritual growth of others [2].

Nowadays the processes of spiritual production (including those in organizations) create framework for developing mind, based on the historically accumulated social experience, specifically symbolizing experience. Culture saves and transmits this experience from generation to generation. There are mastered the symbolizing practice, generated new programs of activity, behavior and communication. Creating the world of symbols is the priority of a human in the culture-creating activities. Social philosophy underlines the key difference of *homo sapiens*, - it is mind, - i.e. ability for heuristic symbolic modelling of the

world through abstract, logical and verbal thinking. Much information circulating in culture is made tangible by symbolic forms: signs, images, metaphors. Symbol is a 'border' phenomenon, symbolic sphere connects and divides the form and the content, creating meaning, and integrating the world of explicit and implicit, nature and culture, one culture state with another. Symbol presents the unique connection, it is a connection itself, -connection of meanings. One meaning is not a must connected with another one, however the chain of associations in signs, metaphors and images builds the chain of meanings connected and leading to the one transcendent prime-sense of symbol.

Culture consists of meanings connections, related to spiritual, symbolic processes. They are not tangible in their meaning but can be found in tangible forms in organizational culture (like artifacts, stories, behavioral patterns, leadership styles, etc.). Organizational culture satisfies the human need in spiritual, it gives the special space to express the meanings of real. It is a space of reflection and the indivisible need of a person to symbolize the world around.

Spiritual has many explications, - Greek philosophers, religion and nowadays humanity sciences. For example, by M.S. Kagan spiritual includes not only the spiritual product, but as well its generating process. The philosopher defines four aspects in spiritual explication: in the process of learning about reality, in its transformation, its values realization, and communication of people in their common activities. It can be presented as the spiritual sphere of society. The same four aspects can be found in organizations, representing the spiritual sphere of organization, where all spiritual processes take place (like spiritual needs genesis, spiritual activity launching, spiritual consumption).

Spiritual and symbolic processes are treated by many experts as in connection. For E. Cassirer in his philosophy of symbolic forms, the main general notion becomes not 'cognition', but 'spirit', associated with the 'spiritual culture'. Cassirer underlines that 'culture' understanding is indivisible with the main forms and directions of spiritual creativity [3]. Spiritual is arranged

in symbol, "symbolic form" (Cassirer). Symbolic forms (language, myth, religion, art, scientific knowledge) philosopher defines as the spiritual culture dimensions.

In organizations these spiritual culture dimensions are presented in the social glue of organizational culture. Organizational culture functions as a symbolic system, as it seizes intangible nature of inner-organizational connections and as well the meaning of organization in relation to the external environment. Spiritual processes setting and change constitute the cultural engineering processes, where symbol with its prime-sense keeps the central position, and with its transformational potential provides the background for cultural engineering. Organizational culture is the product of the human symbolic activity, and organizational culture engineering is the fluctuating process of the system of metaphors, images and signs. The system is rocked and meanings are transferred and transformed.

Cultural engineering as a vague term, more a concept in transitions, is understood like cultural management with the help of practical strategies design, more applied to cultural institutions. In our interpretation cultural engineering is the process of understanding and developing spiritual foundations in organizations with the help of symbolic forms (like metaphors, signs and images) design and management. So, cultural engineering related to the work with meanings in organizations. Managers compose and decompose the meanings in their departments, teams and at the organizational level. They do that consciously or unconsciously, which is the specificity of culture as organizational phenomenon. Symbol with its prime-sense creates the intangible and transcendent center for organizational culture existence. Symbol with its transitional forms (signs, images and metaphors) creates the transformational ability (change in organizational culture). There forms create the dimensions of symbolic in organizational culture as the following: communicative (sign), semantic (metaphor), and psychological (image).

In the communicative area symbol is realized by the sign (sign system). Symbolizing results function as sign systems with the language codes and multiple interpretations. This is what we call the language element of organizational culture, like culture 'talks', expressing itself (in culture it can be literature, architecture, music, dance etc.; in organizational culture it is jargon, architecture and design of the offices and workplaces, employees creativity, missions, states goals, etc.).

Semantic area realizes symbol by metaphors. Symbolizing results in this area function as metaphoric meanings and senses, used in interpretations. Semantic area deals with meanings and their transition mechanics. In organizational culture we can meet stories, different interpretations of the existing rules and goals, and some mechanics (like gamification) to help employees deal with metaphorical meanings.

In the psychological area of the symbolic sphere of culture symbol is realized through image as its symbolic form. In the psychological area symbolizing results function as images, which create the subjective picture of the world, including the subject, other people, environment, and time perceptions. In organizational culture this area is presented by the perception and the behaviors people tend to demonstrate based on their perceptions, attitudes, and assumptions. Psychological area is the introverted one, closed in its inner world, dealing with inner spiritual attitudes, moral principles and values. In organizational culture it is related to ethical codes, values and inner image of organization.

Cultural engineering process is a spiritual development of organization, including change in organizational culture and in symbolic fields (symbols functioning with the prime-sense keeping). Symbol through its symbolic forms creates the tension in meanings, and by this makes cultural engineering process related to the spiritual and cultural transitions. Effective management of organizational culture means effective understanding and design of symbolic forms to keep the symbolic transitional energy active.

#### References:

- 1. Ницше, Ф. Сочинения [Текст] / Ф. Ницше / пер. с нем. Ю.М. Антоновского и др. Калининград : ФГУИПП «Янтар. Сказ», 2002.
- 2. Teaching and Learning Culture: Negotiating the Context. Edited by Mads Jakob Kirkebaek, Xiang-Yun Du, Annie Aarup Jensen, Sense Publishers, 2013, p.13
- 3. Кассирер, Э. Философия символических форм [Текст]. В 3 т. Т.1. Язык / Э. Кассирер / пер. с нем. М.; СПб. : Университетская книга, 2001, р. 17.

# RESEARCH METHODOLOGY FOR STAFF MOTIVATION & VALUES-BASED FRAMEWORK WITHIN EDUCATIONAL INSTITUTIONS by R. Michael Cowgill, 2018

Although much literature and research exist on what motivates employees, there is little information specific to institutions of higher learning, especially universities. Further, even less information exists that ties motivation to the key performance indicators of the universities [1]. The goal of this dissertation is to better understand what motivates employees and how their values coincide with those of the university in order to develop a menu of performance incentives for individual employees that also enhance the value(s) of the institution (university). Management (employers) will then have a set (or menu) of performance incentives to match with each employee or set of employees that will then also enhance the values and performance of the institution.

#### **Survey Participants**

Ideally, a multi-university sample would be used, including various sizes of universities and types (public and private). However, this is practically very difficult to do. As such, I have opted to use only employees of the Georgian American University (GAU) where I am

President. As such, I will try to encourage as wide a response throughout GAU's staff and lecturers as possible. By keeping the survey respondents anonymous, I hope to minimize any bias in the responses, i.e., "let's keep the boss happy with positive responses".

Respondents will be identified and aggregated only through the following criteria:

- <u>Age</u> (<20, 20-30, 31-40, 41-50, 51-60, >60), specifically to determine if there are any age-related or generational differences;
- Gender (male, female), which should also determine any existing issues of gender inequality; and
- <u>Job category</u> (management, administrative staff, support staff, lecturer).

These groupings should provide the necessary specificity when analyzing the results and developing a usable and practical menu of incentive measures for a wide variety of employees. From my experience, there are sufficient similarities in sizes and types of universities so that the results are reasonably transferable and can be used with a high degree of compatibility.

The key criterion for grouping the survey respondents will be by <u>job category</u> as one would expect those categories to be more similar in both values and motivating factors. Further, this would be the logical place to apply the set of incentives when negotiating with individual employees.

#### Survey Development

Employees will be given the survey as one document, containing 2 parts, 1) Motivation Section and 2) Values Section.

#### 1) Motivation Section

The survey methodology is based on Nuttin's survey design [2] where employees complete simple open sentences about what they like/love/want or on the flip side, what they don't like/love/want in order to better understand what motivates them.

The genius and complexity of Nuttin's approach is in the analysis of the answers to the survey and will be described in more detail as part of the analysis of the results.

It was important for me that the survey captured many of the concepts I have observed in over 40 years of working in almost every type of organization and more specifically in almost 15 years of running a private university.

Employees of educational institutions, especially universities, exhibit a relatively complex variety of motivating factors. A private university such as GAU is run like a business with a strict profit motive, but still has the research and public interest characteristics. So, what are the motivating factors for staff in educational institutions (universities)?

<u>Financial</u> – similar to every other organizational staff member. There are numerous studies which define this characteristic, including "how much is enough" and methods, timing and forms of payment. Equal pay for equal work based on gender is also relevant here.

<u>Benefits</u> – both formal and informal - including vacation, holidays, sick leave, maternity/paternity leave, insurance, pension/retirement, sabbaticals, training, access to courses, discounts for family members, etc. Is a menu approach to benefits better for motivating staff? Similar to the financial characteristic, there is a plethora of research on this subject.

<u>Status & title, including "trappings"</u> – including public notoriety, facilities, office space, equipment, etc.

<u>Organizational & managerial characteristics</u> – being involved in a complex organizational structure.

<u>Leadership role</u> – being and "being considered" as a leader within the organization, with the students, and outside the institution

#### Societal aspects

- Imparting knowledge and developing minds and character of students a combination of assuming one has something which is of value to the students and a truly altruistic concept of wanting to see students grow in knowledge and maturity.
- Improving society in general and a sense of "giving back" where there is a realization that education is a key aspect in the growth and success of society. Also, many involved in education feel a responsibility to give something back to the same society that gave them whatever measure of success they feel.
- Being associated with a younger generation there is definitely a motivating factor of being associated with a dynamic younger generation.
- Learning from students with some similarities to being associated with a younger generation, it can be very motivating to actually learn from the students, especially when there are international and adult students' programs.
- Social interaction this motivation for social interaction can be manifested with other staff and/or with students.

Generally, the motivating factors listed above are considered positive. I have chosen to avoid any factors that could be construed as negative, although they do exist, as they would not clearly be related to enhancing performance of the institutions. However, some negative characteristics are addressed in the values section.

#### 2) Values Section based on a modified Schwartz Values Survey (SVS) [3]

GAU Corporate Values - To better understand GAU's corporate values, a brief history of GAU is necessary. The original concept of GAU was to create a Doctor of Juris Prudence (JD) program in law to fill the gap in Georgia's legal education. In the early 2000's, Georgia still had an 11-year school program. The academic requirement to become a lawyer was a 4-year bachelor program (LLB degree where the legal subjects were combined with all other general education subjects) and further, there was no bar exam necessary to become a practicing attorney. As such, most of the graduates (some only 20 years old) were lacking both the

maturity, full legal education and testing to be effective practicing lawyers. This was the scenario that precipitated the original creation of the new university, which was to be named, Caucasus American University.

When this concept and original business plan for the university was introduced to me, I understood that for financial viability, the university also needed to include a business school. Although Georgia had 2 other private universities focusing on business, I believed that there were also improvements that could be made to the general business education also. As the business plan was reworked, I agreed to serve as the President of the new university. During that time the Rose Revolution happened in Georgia in 2003, so to emphasize the renewed focus on Georgia, we changed the name of the university to Georgian American University (GAU). After an unsuccessful search for an individual investor to provide startup capital for GAU, I also agreed to be the major investor, secured a private loan and then collected other shareholders that provided a broad range of necessary skills.

My primary reason for involvement in the development of GAU was to give back something to a society that was in transition from Soviet to post-Soviet to reformer and performer, and one in which I had grown to love and call home. As such, and to be a part of the success story for Georgia, GAU had to provide the highest quality, demand-driven, practical programs that were useful to the private, public and NGO sectors. Programs had to be based on successful best Western practices. Students and lecturers had to have academic freedom and excellent communications skills. GAU needed to have ethical practices as its core value, to lead by example and make socially responsible decisions. The university had to be run like a business using Western management principles, with an emphasis on meeting the needs of the organizations that would hire the students and graduates. With a loan to pay off and other shareholders expecting a return on their investment, profitability was also a necessary motive. And further, to ensure its continuing academic excellence and essential to post-graduate degrees, research had to be a key part of the academic programs.

The values survey is based on the following GAU corporate values described within the statements and intends to understand how those values coincide or differ from those of the individual employees. These are critical in developing individual performance incentives that are in sync with the values of both the university and the employee. These include:

- Performance; effective fiscal management; profitability
- Western standards, programs and management principles
- Value to society; corporate social responsibility (doing the right thing)
- Academic quality; demand driven courses and programs; combination of practical and theoretical knowledge; emphasis on job readiness/communications skills – clients are those organizations that hire students/graduates
- Academic freedom; personal student attention
- Ethical behavior, including Code of Ethics and Conduct
- Research which contributes to advancing scientific knowledge and enhances the brand of GAU.

#### References:

- "Specificity of Staff Motivation & Values-Based Framework Within Educational Institutions", by R. Michael Cowgill, presented at Georgia Ministry of Education & Science Festival of Tbilisi Sciences & Innovations 2017
- "Future Time Perspective and Motivation: Theory and Research Method", 1st Edition by Joseph Nuttin
- 3. "Basic Human Values: An Overview" Shalom H. Schwartz The Hebrew University of Jerusalem Basic Human Values: Theory, Methods, and Applications

სამსახურით კმაყოფილება/უკმაყოფილების განმსაზღვრელი კრიტერიუმები (კერძო და საჯარო სტრუქტურა)

by Tinatin Zeragia, 2018

#### შესავალი

სამსახურით კმაყოფილება დღევანდელ ბიზნეს გარემოში მეტად საჭირბოროტო საკითხია. მსოფლიოში თანამედროვე ორგანიზაციები მივიდნენ იმ აზრამდე, რომ მათი წარმატების უმნიშვნელოვანეს რგოლს მათივე თანამშრომლები წარმოადგენენ. ბოლო პერიოდში ჩატარებული კვლევებიდან ჩანს, რომ რაც უფრო კმაყოფილია თანამშრომელი თავისი სამუშაოთი მით უფრო მეტია მისგან სარგებლის მიღების ალბათობა.

სამსახურით კმაყოფილების თეორიები მჭიდრო კავშირშია მოტივაციის თეორიებთან, როგორიც არის მასლოუს საჭიროებების პირამიდა, ჰერზბერგის მამოტივირებელი-ჰიგიენური ფაქტორების თეორია, სამუშაოს მახასიათებლების მოდელი და სხვა.

ამერიკის ფსიქოლოგიური ასოციაცია (American Psychological Association), ჰარვარდის უნივერსიტეტის ბიზნეს მიმოხილვის ჟურნალი (Harvard Business Review) და სხვა მრავალი წამყვანი ინტერნეტ თუ ბეჭდური მედიასაშუალებები მუდმივად აქვეყნებენ სტატიებს კომპანიებში თანამშრომლების სამუშაოთი კმაყოფილების შესახებ.

საინტერესოა, აღნიშნული კვლევის ჩატარება საქართველოშიც. კვლევის შედეგებიდან გამომდინარე შესაძლებელი იქნება წარმოჩინდეს მნიშვნელოვანი ინფორმაცია, რაც საშუალებას მისცემს ორგანიზაციებს უკეთ მოახდინონ თანამშრომლების მოტივაცია და პროდუქტიულობის გაზრდა, ხოლო დასაქმებულთათვის სამუშაო გახდეს მეტად საინტერესო და სასიამოვნო.

#### კვლევის მიზანი

კვლევის მიზანია გამოარკვიოს და დაადგინოს კერძო და საჯარო სექტორებში თანამშრომლების კმაყოფილება/უკმაყოფილების კრიტერიუმები.

კერძო და საჯარო სექტორი ერთმანეთისგან მნიშვნელოვნად განსხვავდებიან. განსხვავებულია მათი სამუშაო მიდგომები, მოტივაციის სისტემები, კორპორატიული კულტურა, თანამშრომლების მიმართ დამოკიდებულება და პირიქით, თანამშრომლების დამოკიდებულება ორგანიზაციის მიმართ. აღნიშნული გახდა იმის წინაპირობა, რომ კვლევაში ეს ორი სექტორი ერთმანეთისგან გაგვემიჯნა და გამოგვეკვლია თანამშრომლების აზრი ორივე მიმართულებაში.

კერძო და საჯარო სექტორებში ჩატარებული კვლევა, საშუალებას მოგვცემს პირველ რიგში ერთმანეთ შევადაროთ შედეგები და ვნახოთ სად არის განსხვავებები. აღნიშნული ფაქტი, საშუალებას მოგვცემს ზუსტად ჩამოვაყალიბოთ რეკომენდაციები ორივე მიმართულებისთვის.

კვლევის შედეგებიდან გამომდინარე, შესაძლებელი იქნება დავგეგმოთ მომავალი კვლევების აუცილებლობა.

კვლევის შედეგად შეგვეძლება შევიმუშაოთ პრაქტიკულად გამოსაყენებელი რეკომენდაციები როგორც ორგანიზაციებისთვის, ისე მათი თანამშრომლებისთვის რაც ხელს შეუწყობს მათ მომავალ კეთილდღეობას.

კვლევა ასევე საინტერესო იქნება მეცნიერული განხილვა/ანალიზის მიზნით. მისი შედეგების გამოყენება შესაძლებელი იქნება სხვადასხვა მიმოხილვით სტატიებსა თუ კვლევებში.

#### კვლევის ამოცანები

კვლევის ამოცანაა, გამოვარკვიოთ არიან თუ არა კმაყოფილი ადამიანები საქართველოში თავიანთი სამუშაოთი და თუ არ არიან რა არის ამის ხელის შემშლელი ფაქტორები. აღნიშნულიდან გამომდინარე კვლევის ამოცანებია:

- კმაყოფილების განმსაზღვრელი კრიტერიუმები კერძო და საჯარო სექტორში
- უკმაყოფილების განმსაზღვრელი კრიტერიუმები კერმო და საჯარო სექტორში
- პროფესიით მუშაობის პრეცედენტები და მოტივატორები/რეჯექტორები

კერძო და საჯარო სექტორში დასაქმებული ადამიანების
 კმაყოფილება/უკმაყოფილების მიზეზებს შორის განსხვავებები.

#### ჰიპოთეზა

დღესდღეობით საქართველოში არსებული არც თუ სახარბიელო ეკონომიკური მდგომარეობიდან გამომდინარე, არსებობს უმუშევრობის პრობლემა. ოჯახების უმრავლესობა ცდილობს, რომ იქონიონ საარსებო წყარო.

ასეთ გარემოში ხშირად არის სიტუაცია როდესაც ადამიანები იწყებენ სამსახურს არა საკუთარი პროფესიით და არა საკუთარი ინტერესების და სიამოვნების შესაბამისად. ამ შემთხვევაში, პირად სურვილებს სძლევს საარსებო შემოსავლის არსებობის საჭიროება, როგორც ეს მასლოუს საჭიროებების იერარქიაშია მოცემული.

კვლევის ჰიპოთეზაა, რომ საქართველოში მომუშავეთა დიდი ნაწილი ორივე სექტორში, ნაკლებ ყურადღებას აქცევს სამსახურით კმაყოფილებას, საყვარელი პროფესიით მუშაობას და თანხმდებიან ნებისმიერ სამუშაოზე რომელიც მათ ფინანსურ საჭიროებებს მოაგვარებს.

აღნიშნული ფაქტი, მიუთითებს ქვეყნის სუსტ ეკონომიკაზე. ორგანიზაციებში, აღნიშნული სიტუაცია ამცირებს განვითარების, კრეატივის, ცვლილებების, ახალი იდეების და რისკიანობის ხარისხს.

#### სამიზნე ჯგუფი

კვლევის სამიზნე ჯგუფი არის კერძო და საჯარო სტრუქტურში დასაქმებული ადამიანები. აღნიშნული სტრუქტურებიდან გამოკითხული იქნება 26 ადამიანი.

13 საჯარო სექტორის დასაქმებული - აქედან 10 რიგითი თანამშრომელი ხოლო 3 მენეჯერი.

13 კერძო სექტორის დასაქმებული - აქედან 10 რიგითი თანამშრომელი ხოლო 3 მენეჯერი.

#### კვლევის დიზაინი

თვისებრივი კვლევის ჩასატარებლად არჩეული მაქვს სიღრმისეული ინტერვიუს მეთოდი. სიღრმისეული ინტერვიუ წარიმართება ნახევრადსტრუქტურირებული კითხვების მეშვეობით.

ინტერვიუს წამოწყება მოხდება გეგმის მიხედვით, ხოლო განვითარება შესაძლებელია მოხდეს საუბრიდან გამომდინარე რადგან შესაძლებელია ინტერვიუს დროს მოხდეს ისეთი საკითხების წამოჭრა, რომელიც არ არის გეგმაში შეტანილი თუმცა დაეხმარება კვლევას. მიუხედავად ამისა, საჭიროა რომ არ მოხდეს საკვლევი თემიდან მნიშვნელოვანი გადახვევა და ინტერვიუერის მიერ უნდა მოხდეს გაკონტროლება.

სიღრმისეული ინტერვიუს მეშვეობით მოვახდენთ მაქსიმალურად ამომწურავი ინფორმაციის შეგროვებას. საინტერესეო იქნება რესპოდენტების შეხედულებების, აღქმების, ღირებულებების და პრეფერენციების შეფასება. ამ მეთოდით ჩატარებულ კვლევაში, შესაძლებელია აღმოვაჩინოთ ისეთი გარემოებები, რომელიც მკვლევარის მიერ თავიდან არ იყო ნავარაუდევი. მსგავსი კვლევების მრავალფეროვნება მოგვცემს იმის საშუალებას, რომ უკეთ შევისწავლოთ ქართული ორგანიზაციები, მათი მუშაობის სისტემა, თანამშრომლების გადმოსახედიდან დანახული დადებითი და უარყოფითი მხარეები და მიღებული ინფორმაცია გამოვიყენოთ როგორ უკუკავშირი მომავალში კიდევ უფრო სწორი და სასარგებლო პრაქტიკის დანერგვის მიზნით.

თუმცა, კვლევის შედეგად მიღებული შედეგები არ არის შესაძლებელი რომ განვაზოგადოთ ფართო გარემოზე. ამისათვის, საჭირო იქნება საკვლევი საკითხის მომავალში რაოდენობრივი კვლევით გამყარება.

#### კვლევის შედეგების ანალიზი

კვლევის ფარგლებში სიღრმისეული ინტერვიუ ჩაუტარდა ოცდაექვს ადამიანს. ცამეტ კერძო და ცამეტ საჯარო სექტორში მომუშავეს.

კვლევის შედეგები გაანალიზებული იქნა კვლევის ამოცანებთან მიმართებაში.

პირველი ამოცანა იყო კმაყოფილების განმსაზღვრელი კრიტერიუმები კერძო და საჯარო სექტორში. კერძო სექტორში გამოკითხულ თანამშრომლებში გამოიკვეთა ტენდენცია, რომ ადამიანები თავიანთ სამუშაოს აფასებენ საინტერესო და საჭირო საქმედ. მოსწონთ დამაზული რეჟიმი და ყოველდღიურად განსხვავეზული საქმეების კეთება. ძირითადი ნაწილი თვლის, რომ საშუალო ან ოდნავ მეტ ენერგიას ხარჯავს სამუშაოს შესრულებისთვის და აქვთ შინაგანი რესურსი, რომ შეასრულონ კიდევ უფრო მეტი საქმე, თუმცა ამ შემთხვევაში მოტივაცია და მეტი საქმის შესრულების სურვილი უმეტეს შემთხვევაში გაიზრდება თუ მოხდება პოზიციის შეცვლა (თუნდაც იმავე სტრუქტურაში) და დაწინაურება. მუშაობაში ხელისშემწყობ ფაქტორებად სახელდება უპირველესყოვლისა სასიამოვნო კოლექტივი და გარემო რაც გვაძლევს იმის თქმის საშუალებას, რომ დიდი ყურადღება ექცევა ადამიანურ ფაქტორებს. აღნიშნული ფაქტორები გამოიკვეთა ასევე სამუშაო გარემოს აღწერისას, რაც აბალანსებს ისეთ დისკომფორტს როგორიც არის შენობისთვის რემონტის ჩატარების აუცილებლობა და ფიზიკური დისკომფორტი. მუშაობის ხელისშემწყობ ფატორებში აგრეთვე გამოიკვეთა მენეჯმენტის კომპეტენტურობა და კომპანიის მოქნილობა. ასევე გამოჩნდა, რომ ადამიანები კმაყოფილებას განიცდიან სამუშაო რიტმის, პრობლემური საკითხების მოგვარების, გუნდის მართვის და ჩადებული ენერგიიდან მიღებული შექების ან კლიენტის კმაყოფილების შედეგად. აღსანიშნავია, რომ კამყოფილების კრიტერიუმად შემოსავლის განსაზღვრა გამოიკვეთა გამოკითხულთაგან მხოლოდ ერთი პირის ინტერვიუში.

საჯარო სექტორში, ასევე საკმაოდ დიდი ტენდეციაა სამუშაოს დადებითად შეფასების. გამოკითხულთაგან ყველამ დააფიქსირა, რომ მათი სამუშაო არ არის რთული და არ ჭირდებათ დიდი ენერგია მის შესასრულებლად, რადგან საქმე უმეტესწილად არის რუტინული. ხელისშემწყობ ფაქტორებში აქაც აღინიშნება დადებითი გარემოცვა და ადამიანებთან ურთიერთობა, რაც აგრეთვე დაკავშირებულია კმაყოფილებასთან. საინტერესოა სასიამოვნო პროცესის აღწერის პუნქტი, აქ გამოიკვეთა ტენდენცია, რომ თანამშრომლებს სიამოვნებთ როდესაც აქვთ მეტი პასუხისმგებლობა და

თავისუფლება, თუმცა სხვა კითხვებზე პასუხიდან გამომდინარე შეგვიძლია ვივარაუდოთ, რომ ეს არის უფრო მეტად მათი სურვილი რადგან სამუშაო საჯარო სამსახურში არის მეტად რუტინული. ანუ, როდესაც მათ თავიანთი რუტინიდან გადახვევის და უფრო საინტერესო საქმის შესრულება უწევთ, ეს იწვევს ამ პროცესით მათ კმაყოფილებას. ანაზღაურების კმაყოფილებასთან გაიგივება ამ სექტორში არ მომხდარა, შეგვიძლია ვივარაუდოთ რომ ეს არ არის მათი კმაყოფილების კრიტერიუმი (მაგ. იმიტომ, რომ ანაზღაურება არ არის მაღალი) თუმცა ანაზღაურების სქემასთან დაკავშირებულ შეკითხვაში უმეტესობამ აღნიშნა, რომ ხელფასი არის დაბალი მაგრამ მათთვის გასაგები და მისაღებია მიზეზები.

მეორე ამოცანა არის უკმაყოფილების განმსაზღველი კრიტერიუმები კერძო და საჯარო სექტორში. კერძო სექტორში ხელისშემშლელ ფაქტორებად უმეტესწილად დაფიქსირდა ნაკლები დელეგირებები და ბიუროკრატია, აგრეთვე თანამშრომლების დაბალი კვალიფიკაცია. სამუშაო გარემოში უარყოფითად მოქმედებს ქაოსური გარემო და ხმაური, ასევე ერთდოულად რამდენიმე საქმის შესრულების აუცილებლობა, რაც შეიძლება დავაკავშიროთ კერძო კომპანიების ტენდენციაზე მინიმალური კადრების მეშვეობით შეასრულონ მაქსიმალური სამუშაო. ასევე უკმაყოფილებად შეიძლება ჩავთვალოთ, რომ ფიქსირდება მეტის გაკეთების სურვილი თუმცა არა იგივე პოზიციაზე. აქედან ჩანს, რომ თანამშრომლების დაწინაურების სისტემა არ არის მოქნილი.

საჯარო სექტორში უკმაყოფილება არის ორგანიზაციის უმოქმედობაში თანამშრომლების განვითარებაზე ზრუნვის კუთხით. ასევე, ბენეფიტებთან დაკავშირებულ კითხვაში დაფიქსირდა, რომ ფაქტიურად არავითარ დამატებით სარგებელს არ სთავაზობს ორგანიზაცია თანამშრომლებს, მხოლოდ უმნიშვნელო დაზღვევა და სატელეფონო ლიმიტი (ისიც, მხოლოდ ორ შემთხვევაში).

მესამე ამოცანა შეეხება პროფესიით მუშაობის პრეცედენტებს და მოტივატორებს/რეჯექტორებს. კერძო სექტორში ჩანს, რომ საკმაოდ ხშირად მუშაობენ განხვავებული პროფესიის ადამიანები. მათი ნაწილი აღნიშნავს, რომ მიღებული განათლება საერთოდ არ ეხმარებათ სამუშაოს შესრულებაში და ძირითადად თავიანთ გამოცდილებას ეყრდნობიან ხოლო ნაწილი თვლის, რომ მიღებული განათლების მუშაობის კონკრეტულ მიმართულებებს იყენებენ პროცესში. პირდაპირი სპეციალობით მომუშავე გამოკითხულთაგან დაფიქსირდა მხოლოდ ერთი ადამიანი. ამ ფაქტით შეგვიძლია ვივარაუდოთ, რომ კერძო სექტორში საკმაოდ მიღებული პრაქტიკაა სხვადასხვა პროფესიის ადამიანების დასაქმება და სამუშაოს ადგილზე შესწავლა. ეს ფაქტი შეგვიძლია დავაკავშიროთ უკმაყოფილების იმ კრიტერიუმთან სადაც დაფიქსირდა პრობლემა არაკომპეტენტურ კადრებთან დაკავშირებით. გამოკითხულთაგან უკლებლივ ყველა ხედავს საჭიროებას რომ მიიღოს დამატებითი ცოდნა როგორც არსებული სამუშაოს შესახებ, ასევე სხვა სფეროებში. კარიერის გაგრძელების სურვილი ისევე მრავალფერფეროვანია როგორც თანამშრომლების შეგვიძლია პროფესიეზი, რაც აგრეთვე ამ ფაქტს დავუკავშიროთ, თუმცა ორგანიზაციების მიმართ დამოკიდებულება საკმაოდ ლოიალურია, რადგან სამუშაოს ამ მომენტისთვის აქტიური ძებნა არ დაფიქსირდა. ეს გარემოება, ასევე შეიძლება დაკავშირებული იყოს ბაზარზე სამსახურების მწირ არჩევანთან და ლოიალურობას შესაძლებელია ეს ფაქტიც განსაზღვრავდეს.

საჯარო სექტორში, სპეციალობით მუშაობის უფრო მაღალი მაჩვენებელია. ეს ფაქტი მეტყველებს იმაზე, რომ სახელმწიფო ორგანიზაციები უფრო მეტად აკონტროლებენ სპეციფიური ცოდნის მქონე ადამიანების დაქირავებას. აქვე აღსანიშნავია ერთი გარემოება, კვლევაში გამოირჩა ერთი გამოკითხული რომლის სპეციალობა არ იყო კავშირში მის სამუშაოსთან და მისი კმაყოფილება სამსახურით იყო გამორჩეულად დაბალი სხვებთან შედარებით თითქმის ყველა ასპექტში. ეს მეტყველებს იმაზე, რომ სახელმწიფო სამსახურში არაპროფესიით მუშაობა იწვევს ადამიანის დემოტივაციას. პროფესიით მომუშავე პირები საკმაოდ ლოიალურობას გამოხატავენ თავიანთი საქმის და ორგანიზაციის მიმართ. ამ სექტორშიც უკლებლივ ყველა გამოკითხულმა დააფიქსირა მზაობა განათლების გაღრმავების კუთხით, უფრო მეტად საკუთარ

დარგში. კარიერის გაგრძელების მხრივ ამ სექტორში აზრები უფრო მეტად ბუნდოვანია და უმეტესად მოიაზრება იგივე ორგანიზაცია.

კვლევის ბოლო მიზანი არის, კერმო და საჯარო სექტორში დასაქმებული ადამიანების კმაყოფილება/უკმაყოფილების მიზეზებს შორის განსხვავებების ანალიზი.

საინტერესო იქნება ჯერ მსგავსებებზე გავამახვილოთ ყურადღება. დიდი სხვაობა არ არის ორგანიზაციების მხრიდან მათი თანამშრომლების კმაყოფილებაზე ზრუნვაში. არ გამოიკვეთა ეს ფაქტი არცერთ სექტორში და ორივეგან ფიქსირდება მოთხოვნა მეტი განვითარების საშუალებების არსებობაში (ტრეინინგები, წინსვლა). კომპენსაციის პაკეტები არცერთგან არ არის რადიკალურად მიუღებელი, რათქმაუნდა არის სურვილი, რომ იყოს მეტი ანაზღაურება თუმცა რიგ შემთხვევებში თანამშრომლები თვლიან, რომ მათი შრომა შესაბამისია ანაზღაურებასთან. ეს ფაქტი შეგვიძლია განვამტკიცოთ იმით, რომ თანამშრომლები საკმაოდ მოტივირებული არიან თავიანთი ორგანიზაციებისთვის. საქმე შეასრულონ მეტი გამოკითხულთა უმეტესობამ დააფიქსირა, რომ ისინი ისედაც აკეთებენ იმაზე მეტს ვიდრე ადამიანურ ფაქტორებზე ყურადღება, სასიამოვნო მოეთხოვებათ. მსგავსია კოლექტივი და მენეჯმენტი, რაც დამატებით მოტივს იძლევა მუშაობისთვის. ეს ფაქტი შეიძლება ორგანიზაციის დადებით მხარედაც განვიხილოთ, რადგან ჩანს რომ ორგანიზაციული კულტურა არის ჯანსაღი და არა ტოქსიკური.

რაც შეეხება განსხვავებებს, პირველ რიგში ჩანს სხვაობა სამუშაოს რიტმში. კერძო კომპანიებში უფრო მეტად დაძაბული და სწრაფი სამუშაო გარემოა რაც ამოტივირებს თანამშრომელს, მსგავსი შემთხვევა საჯარო სექტორში ნაკლებად გვაქვს. სამუშაოს ხასიათი საჯარო ორგანიზაციებში უფრო მეტად სტრუქტურირებული და რუტინულია და ეს იწვევს მათ სურვილს, რომ ქონდეთ მეტი პასუხისმგებლობები რაც მოახდენდა მათ მოტივაციას. საჯარო სექტორში გამოკითხული პირები მეტი ენთუზიაზმით აღწერდნენ თავიანთ საქმიანობას, რაც შეიძლება დავაკავშიროთ ფაქტთან, რომ აქ უფრო მაღალია პროფესიით დასაქმების ხარისხი. კერძო კომპანიების

თანამშრომლები მეტს საუბრობენ რიტმზე და გამოწვევებზე, საჯარო ორგანიზაციების თანამშრომლები კი სამუშაოს ბუნებაზე.

ჩანს, რომ ორივე სექტორში პროფესიით მომუშავე პირი, რომელსაც ასევე ექნებოდა მაღალი რიტმის და პასუხისმგებლიანი სამუშაო იქნებოდა ყველაზე მეტად მოტივირებული თანამშრომელი. თუმცა, აღსანიშნავია, რომ ორგანიზაციებმა მეტი ყურადღება უნდა დაუთმონ თანამშრომლების განვითარებაზე ზრუნვას, რადგან ჩანს რომ ადამიანებს აქვთ სურვილი გაიღრმაონ ცოდნა თუ ექნებათ ამის საშუალება. შესაბამისად, კვალიფიციური თანამშრომელი გაზრდის პროდუქტიულობას და შეამცირებს უკმაყოფილებას როგორც საკუთარ თავში ასევე სხვა თანამშრომლებში.

კვლევის ჰიპოთეზა ნაწილობრივ დადასტურდა, იმ გარემოებების გათვალისწინებით რომ ნამდვილად არიან ისეთი თანამშრომლები, რომლებიც არ მუშაობენ პროფესიით და მათი მოტივაცია შედარებით დაბალია ან საჭიროებენ დამატებით კვალიფიკაციის ამაღლებას. ასევე, ასეთი ადამიანები პრობლემურ გარემოს ქმნიან სხვა თანამშრომლებისთვის, რაც ამცირებს მათ მოტივაციას. ეს ფაქტი შეგვიძლია ავხსნათ ქვეყნის სუსტი ეკონომიკური გარემოთი. მეორეს მხრივ, გამოიკვეთა ტენდენცია, რომ პროფესიით მომუშავე თანამშრომლებისთვის ანაზღაურება არ წარმოადგენს მთავარ მამოტივირებელ ძალას და მათ უყვართ საკუთარი საქმე, რის ხარჯზეც მეტლოიალურობას იჩენენ თავიანთი ორგანიზაციების მიმართ.

#### გამოყენებული წყაროები:

- American Psychological Association 2018, ხელმისაწვდომია: http://www.apa.org/
- Harvard Business Publishing: Higher Education 2018, ხელმისაწვდომია:
   https://hbr.org/

# THE ESSENCE OF STRESS AT WORK AND ITS IMPACTS ON HUMAN BEHAVIOR

#### by Tinatin Zeragia and Dina Aslamazishvili, 2018

We must have a pie. Stress cannot exist in the presence of a pie.

David Mamet, Boston Marriage

There are several interesting scientific views about the subject of stress and its effects on human health. We will discuss some history and birth of term stress. Identifying old and new theories will help us to understand what differences are between nowadays and previous world, what is done by those rapid changes that world had faced and continuously faces.

The term stress, that means hardship or crisis can be traced back as early as the 14th century (Lumsden, 1981). It first seems to have achieved technical importance, however, in the 17th century in the work of the prominent physicist-biologist, Robert Hooke (Hinkle, 1973). Hooke was concerned with how man-made structures, such as bridges, must be designed to carry heavy loads and resist buffeting by winds, earthquakes, and other natural forces that could destroy them. Load referred to a weight on a structure, stress was the area over which the load impinged, and strain was the deformation of the structure created by the interplay of both load and stress. During World War II there was considerable interest in emotional breakdown in response to the "stresses" of combat (Grinker, R. R., Spiegel, J. P., 1945). After World War II it became evident that many conditions of ordinary life--for example, marriage, growing up, facing school exams, and being ill---could produce effects comparable to those of combat. This led to a growing interest in stress as a cause of human distress and dysfunction. According to different scientific literature concerning stress it has been concluded that there are three different approaches to stress (Lazarus, 1966), (Appley, M. H. and Trumbull, R.(Eds.), 1967), (Cox, 1978), (C., 1988), (Cox T, Mackay C J., 1981), (Cox T., 1993).

First approach defines occupational stress as a malicious characteristic of the work environment – the environmental cause of ill health. It has been termed as 'engineering approach'.

The second approach defines stress in terms of the common physiological effects derived from different malicious stimuli – particular physiological response to a damaging environment. It has been termed as 'physiological approach'.

The third approach conceptualizes work stress in terms of the dynamic interaction between the person and their work environment – measured in terms of the cognitive processes and emotional reactions which link those interactions. It has been termed as the 'psychological approach'.

The engineering and physiological approaches represent the earlier theories of stress, while psychological stress is more contemporary stress theory.

Business that cares for their employees is more successful that others that do not. If employees feel positive for their company, they make their best to contribute as much effort as they can. When employee believes that his or her efforts are appreciated feels motivated and becomes one of the key components of organizational success. While, stressed and unhappy workers are less productive, they lack creativity and motivation; they do not make company better. It seems to be an easy task, task that can be expressed in one paragraph, but in reality this outcome is the contribution of lots of research, analysis and right use of information. Businesses sometimes use their internal resources to make specific researches and conclusions; sometimes they use recent recommendations and findings of scientists. In first case companies control and conduct the whole process. They set issues, problems or questions that need to be solved, they assign specific staff to work on it, and they make theoretical/practical experiments, conduct surveys/interviews or use any other tool that they decide is relevant. And they get data. Data this is the information that needs to be organized to give it the form which becomes useful and informative. Finally, the results are received. Every step in this process is critical;

any bias can make the whole process deviate to the different direction and receive the wrong results. Another method is easier, businesses use the prepared results that are concluded by scientists or other institutions; this is easier for small and medium companies, in order to save time and resources; but in this alternative company has no control or power towards the direction or methods of the research.

We all know how contemporary globalization and highly developed technology made life more rapid and respectively society more demanding. When scientist makes research about stress on modern life, in order to be perfect, research is connected to several disciplines, specifically:

Psychology – exploring well-being, personality and stress.

Sociology - what is the response of society to stressed individuals? Massively stressed society can create epidemic distribution of stress that diminishes level of everyday life of people.

Management – researching nowadays situations in organizations, how do they manage their employees' health and welfare by reducing stress?

When company conducts the research, one should carefully examine kinds of organizational stimulus causing employee stress as well as testing reduction methods. Additional factor during the research is that all the studies and experiments should take into consideration condition of rapid external changes.

Researching only working environment can be insufficient, while important human stressors can be found as well outside the company. Questions like what is stress? How it affects human health and welfare? What are main stressors in human life? What do our employees care more about? What makes them stressed not only at work but in general? Finding out to what extent people can handle stress; explore how diverse people handle with stress in life and in organizations; explore if organizational, work-related stress affects employees private lives and if yes, to what extent; research what is the maximum pace of changes people can handle in their working conditions without being stressed; does high degree of stressed employees result

conflicting and unhealthy working environment? How stressed people can harm their health and welfare? Smoking, drug addiction, alcoholism; Research if stress is transmittable between groups of different kinds of people; Find out what are the main consequences of stress for that specific company. When company answers these questions and makes conclusions, they have a strong lever in their hands. They can arrange the environment that way which makes the well-being of their employees a priority. Well-being is strongly connected to work-related stress, and also with associated terms such as stress management, stress reduction, stresses avoidance, etc. There are several kinds of well-being at work, including: Emotional well-being, psychological well-being, health promotion. There are different stress reduction methods to use at work, including: joy and laughter, fresh air and physical exercise, fun and games, careful use of alcohol and drugs, reflexology.

We can assume that thoroughly researched problem can bring lots of positive outcomes. In this specific case, study will benefit general social conditions as well as improves individual's health, their lives and lives of their surroundings. Recommendations developed by research will improve our everyday life. Practical recommendations will be oriented towards creating highly positive and spiritual working conditions for people, minimizing stress and help employers establish right methodologies and ways to reach this goal.

We know that, modern companies intensely fight to attract and retain the best talents. Degree of stress in the company often affects the decision of an employee to stay in the organization. Results of stress can be very damaging for human's personal development possibilities. From one side if company keeps stressed employees at the workplace, their productivity suffers and fades away the traits that distinguished person from others as a talented one. From another perspective, employee can avoid these results and leave the company. The last possibility increases turnover as well as, leaves the company without talented workforce.

For the purpose of experiment, we made a little research about factors of stress. Survey provided by us tried to identify what are the stress factors from the point of view of managers

that affect their employees and from the point of view of employees, what are the factors that affect them and see if they match. Surveyed people consisted of 5 managers and 32 employees. Results show that, for employees, the biggest stress factor in relation of their job is routine work (31%) and the least affecting factor is lots of work (38%), while managers think that the biggest stressor for their employees is uncertain responsibilities (60%) and uncertain tasks (40%), they indicated routine work as moderately affecting factor and the as the least affecting factor they consider to be lots of work like in case of employee results. Other factors are indicated like this: "What makes employees feel annoyed at the workplace from the point of view of their colleagues?" 75% of employees indicated the highest score to personal insult and as second most affecting factor indicated that they become annoyed when others ask them to do their job (56%). 100% of managers indicated the highest score to personal insult and 40% indicated that employees become annoyed when others ask them to do their job. So here we see the match. Interesting question was about what are the factors that would make employees feel annoyed at the workplace from the point of view of their manager. 66% indicated that rudeness would stress them the most and second most affecting factors would be manager's indifferent attitude toward work-related issues, while 60% of managers indicated that their employees can be equally stressed by their rudeness and incompetence, indicating the highest annoyance for each answer and as a second most affecting factor 40% of managers checked indifference and no decision making skills. So here we can see that managers seem to be more self-critical, but still we have some match. We measured overall stress state of employees as well, and asked them about their feelings toward their workplace. Interesting results are that 53% of them feel generally well at their workplace and only 3% feels very tensed; while for another question about if they feel "tensed" at their workplace - 56% indicated that they sometimes feel tensed. Along with it, only 3% considers that there are tensed relationships at their workplace. So here we can see that, generally their feelings are positive but there are specific situations when tension is high and this factor affects more than half of employees. As long as only 12 people indicated that they never feel tension at work and relationships seem

to be positive, we can assume that tension is derived from employee's personal job requirements. We can strengthen this assumption from results of another two questions, one about deadlines and plans that are achievable or not, where 42% answered that more or less and 13% percent answered that they are not achievable. And second question about if their break time is enough to relax, here 44% answered that it's more or less enough and 25% indicated that they often have no breaks at all. Employee disposition toward their colleagues seems to be quite positive, as long as they state that colleagues encourage and help them in their work (84%). 94% of employees feel totally safe at their workplace, so here we have good result. Providing answers to all the questions will give companies possibility to develop instructions and recommendations reflecting all the key findings of the research. It gives them advantage to successfully attract and retain the best talented employees.

Every kind of society, political force and institution is composed of humans. We should strongly understand that their good health leads to creation of healthy environment, encouragement of innovations, establishment of peace and general happiness. Happy people tend to be more productive and willing to do their best for their employers and generally society. Most of us have final aim of finding happiness in this world, so we should do everything to firmly walk towards this aim.

#### References:

- Appley, M. H. and Trumbull, R.(Eds.). (1967). On the Concept of Psychological Stress in Psychological stress: Issues in research. *Appleton-Century-Crofts*.
- C., F. B. (1988). The epidemiology of occupational stress. In C. C. R., *Causes, Coping and Consequences of Stress at Work.* Chichester: Wiley & Sons.
- Cox , T. (1993). *Stress Research and Stress Management:Putting theory to work.* Sudbury: HSE Books.
- Cox T, Mackay C J. (1981). A transactional approach to occupational stress. In C. E. J., *Stress, Work Design and Productivity.* Chichester: Wiley & Sons.

Cox, T. (1978). Stress. London: Macmillan.

Grinker, R. R., Spiegel, J. P. (1945). Men under Stress. New York: McGraw-Hill .

Hinkle, L. E. (1973). The concept of "stress" in the biological and social sciences. . *Sci.Med. Man. 1:31-48* .

Lazarus, R. S. (1966). Psychological Slress and the Coping Process. New York: McGraw-Hill.

Lumsden, D. P. (1981). Is the concept of "stress" of any use, anymore? *In Contributions to Primary Prevention in Mental Health: Working Papers ed. D. Randall.* 

# GAMIFICATION PRACTICES IN HUMAN RESOURCE MANAGEMENT FOR BUILDING A HIGH-PERFORMANCE WORKPLACE

by Ekaterine Gogia and Dina Aslamazishvili, 2018

What is our life?

It is a game!

"The Queen of Spades"

Alexander Pushkin

Gamification is the craft of deriving all the fun and addicting elements found in games and applying them to real-world or productive activities. It is a design process that optimizes for the human in the system, as opposed to pure efficiency of the system.

Most systems are "function-focused" designed to get the job done quickly. This is like a factory that assumes that the workers within WILL do their jobs. However, Human-Focused Design remembers that people in the system have feelings, insecurities, and reasons why they want or do not want to do things, and therefore optimizes for their feelings, motivations, and engagement.

Games have the amazing ability to keep people engaged for a long time, build relationships and trust between people, and develop their creative potentials.

The gaming industry was the first to master human-focused design. Games have no other purpose than to please the human inside. There are "objectives" in the games, such as killing the dragon or saving the princess, but those are all excuses to simply keep the player happily

entertained inside. Since games have spent decades learning how to master motivation and engagement, we are now learning from games, and that is why we call it Gamification (Chou, 2013).

Many people think Gamification is a branch of gaming. Gamification does not involve games. It is simply absorbing the fun elements in a game into real-world applications. Gamification is using Game Mechanics and Techniques to engage and motivate people through their Core Drives.

During the latter part of the 20th Century, people were beginning to consider games as a way to increase productivity in the workplace. In 2002 Nick Pelling, a British old-school computer games programmer, decided to transfer his knowledge about games to another distant contexts- While designing user interface for commercial electronic devices (ATMs, vending machines, mobile phones) he invented the word, Gamification, by which he meant applying game-like accelerated user interface design to make electronic transactions both enjoyable and fast (Pelling, 2011).

In 2005 Rajat Paharia founded Bunchball, a platform designed to boost engagement on websites by adding a layer of game mechanics. It would be another 3 years before they adopt the term 'Gamification' (Growthengineering, 2016).

In 2008 in a blog article covering his time at the 2008 Social Gaming Summit, Bret Terrill is documented as using the term 'gamification' for the first time:

"In conversations, one of the biggest topics ... is the gamification of the web. The basic idea is taking game mechanics and applying to other web properties to increase engagement." (Growthengineering, 2016).

The modern Gamification definition according to Gartner states that it is the use of game mechanics and experience design to digitally engage and motivate people to achieve their goals (Burke, 2014).

The key elements of the definition are (Burke, 2014):

- Game mechanics describes the use of elements such as points, badges and leader boards that are common to many games.
- Experience design describes the journey players take with elements such as game play, play space and story line.
- Gamification is a method to digitally engage, rather than personally engage, meaning that
  players interact with computers, smartphones, wearable monitors or other digital devices,
  rather than engaging with a person.
- The goal of Gamification is to motivate people to change behaviors or develop skills, or to drive innovation.
- Gamification focuses on enabling players to achieve their goals. When organizational goals
  are aligned with player goals, the organization achieves its goals as a consequence of players
  achieving their goals

Gartner, Inc. announced in 2011 that by 2014, more than 70 percent of Global 2000 organizations will have at least one "gamified" application. Analysts said that while the current success of Gamification is largely driven by novelty and hype, Gamification is positioned to become a highly significant trend over the next five years (Pettey, 2011).

And still why is Gamification so trendy nowadays? According to the results of the survey of 530 workers which was commissioned by Badgeville in July of 2015, Gamification Improves Work and Experience for 91% of Employees, Increases Productivity Across U.S. Companies (Badgeville, 2015). That's why HR departments of major companies launched Gamification trials to address the engagement issue when Gallup research released in 2015 showed alarming trends in employee engagement. The research finds that only 31% of employees are engaged with their work, and that millennials are the least engaged group (28.9%) (Adkins, 2015).

In order to utilize the benefits of gamification, organizations need to have a better understanding about different approaches, types and tools to actually create and apply gamification.

There are two types of gamification: the first type is Structural gamification and the second one is Content gamification.

Structural gamification is the application of game-elements to propel a participant through content with no alteration or changes to the content itself. The content does not become game-like, only the structure around the content. The primary focus behind this type of gamification is to motivate the participant to go through the content and to engage them in the process of gamification through rewards.

Content gamification is the application of game elements and game thinking to alter content to make it more game-like. For example, adding story elements to a compliance course or starting a course with a challenge instead of a list of objectives are both methods of content gamification. Adding these elements makes the content more game-like but doesn't turn the content into a game. It simply provides context or activities which are used within games and adds them to the content being taught (Kapp, 2013).

A major issue when trying to empirically measure singular gamification effects is that they often exhibit high complexity and interdependencies. For example not every individual likes games, and those who do, do not like the same game mechanisms. Furthermore, when moving from sole individual instruments (like private score/point mechanisms) to more group integrated mechanisms (like leaderboards or feedback instruments) many emotional and psychological issues interact causing high complexity and prohibit a clear cause-and-effect-relationship study. As a consequence gamification instruments can be sorted ascending in terms of expected interdependency and social complexity.

- Points are a running numerical value given for any single action or combination of actions.
   They are given if desired behaviors are practiced in order to provide frequent and clear feedback to users.
- Challenges are tasks or goals which if successfully completed by users result in a badge reward.
   A badge consists of a small picture (graphic; e.g. a trophy) and a title (e.g. "MasterDiplomat").
   If badges are not visible to other users, they are comparable to levels.
- A leader board shows the top performers ordered by rank to all users (e.g. based on points).
- Privileges are classified as non-monetary rewards which are earned in combination with other instruments (e.g. by reaching a certain score, level or badge).
- Monetary bonus payments are the "old-fashioned" reward structure of today's business world.
   Arguably they don't belong to gamification instruments since they undermine intrinsic motivations and might lower performance.
- Social Incentives should be understood as social events which are conducted as reward for achievements. Even though they do cost monetary and time resources they are interesting, since they offer a lot of design flexibility and aim at creating social capital and bonds via social exchange.
- Self-determination here should be understood as an alternative to individual reward by giving a person a surplus of autonomy and independence.
- Brim and Asplund found in a U.S. employee survey 2009 that employees receiving
  predominantly negative feedback from their manager are over 20 times more likely to be
  engaged than those receiving little or no feedback (Wiegand & Stieglitz, 2014). Continuous
  feedback (not only from management but from a 360°viewpoint) seems to have a huge impact
  on employee engagement.
- Play-culture focuses on integrating an interesting gameplay and story at the core of the gamification system. Badgeville states that "epic meaning" in a gamification system is necessary to let the users feel they are working on something big and meaningful (Wiegand & Stieglitz, 2014).

Nowadays gamification is used in different areas of a business: according to entrepreneur, speaker, and gamification pioneer Yu-kai Chou, the answer is not straightforward but the size of the firm will generally dictate what matters (Chou, 2013). In his experience, start-ups tend to seek help with product gamification (i.e. creating a winning product that provides an addictive experience);mid-sized companies prefer to focus on marketing gamification (i.e. attracting new customers within a desired segment and keeping them engaged); while Fortune 500 firms and other large organizations gain mostly from workplace gamification (i.e. training/motivating employees or cultivating solidarity among them in a non-standard, effortless way)(Pop, 2014).Companies use gamification techniques to inspire the natural instinct for competitions in their employees and to boost their performance. Employees are motivated to take part in games in the workplace to improve their performance and get benefits in return.

So to decide which type of gamification can be used in particular cases different component of execution should be considered:

- Development Cost
- Development Time
- Internal Resource Engagement
- Scalability and Reusability

By harnessing the entertaining aspects of games, gamification technology offers organizations a solution to their engagement problems. In many of its initial applications, gamification has had impressive results, leading global organizations such as IBM, Deloitte, and NBC to use gamification in either their marketing campaigns or workplace (Technologyadvice, 2018).

Gamification software is any tool or platform used for applying game mechanics to non-game contexts in order to boost engagement and successful end-results. Common use cases include customer loyalty, e-learning, employee engagement, and performance management (Technologyadvice, 2018). Gamification software offers insightful metrics and stats and reporting features to learn if given techniques are effective for the organization.

Often when companies and individuals look for software to engage their employees or customers, they end up at gamification. But as the market has grown, it has also crept into other specialized and overlapping categories:

Performance Management: This HR software helps managers and teams better understand an employee's job responsibilities, track job-related goals and metrics, and measure improvement. Gamified elements might be involved to track employee progress and increase engagement.

Learning Management Systems: This software gives companies a platform to build, track, and improve employee and customer training modules through an online web portal. Gamified learning is often built into these systems to increase engagement and drive user outcomes.

Employee Engagement: These platforms use gamified elements to promote productivity and revenue growth across an organization. While often used to motivate sales teams to increase profits, employee engagement software can be used to reduce turnover, give meaningful feedback, increase training efficiency, and improve overall morale.

According to a recent study by Research and Markets, the global gamification market will grow to \$11.1 billion by 2020. Now there is a huge market and a wide variety of solutions and vendors to implement gamification for any industry or any case. The Vendors offer full package of services, but still some companies tend to develop and implement their own solutions in house.

A number of surveys suggest that the organization of work changed dramatically in the 1980s and 1990s. Increased global competition and the rapid developments in information technology induced managers to rethink the way work usually has been organized, leading to an increasing adoption of so-called "innovative", "high performance", "new", or "flexible" workplace organizations. The main feature of these High Performance Workplace Organizations is a change from a Tayloristic work organization, characterized by task specialization, a pyramidal hierarchical structure, and a centralization of responsibilities, to a Holistic organization featuring flat hierarchical structures, job rotation, self-responsible teams,

multi-tasking, a greater involvement of lower-level employees in decision-making, and the replacement of vertical by horizontal communication channels (Bauer, 2004).

Gartner defines a high performance workplace as a physical or virtual environment designed to make workers as effective as possible in supporting business goals and providing value. A high-performance workplace results from continually balancing investment in people, process, physical environment and technology, to measurably enhance the ability of workers to learn, discover, innovate, team and lead, and to achieve efficiency and financial benefit.

In a high-performance workplace, teams produce quality products and services using innovative techniques. They tend to collaborate more effectively than other groups of people. In these high-performance environments, people trust one another, feel empowered to make changes and experience high levels of job satisfaction (Duggan, 2018).

Describing the characteristics of a high-performance workplace involves listing the actions taken by leaders to establish an effective team, and the results thereby achieved.

Setting clear goals: effective leaders communicate a clear vision and establish realistic goals. By aligning all work to these objectives, successful leaders ensure their employees work towards achieving the same results.

Maintaining open communication: in a high-performance workplace, leaders communicate regularly with subordinates to provide direction on what tasks need completion. By resolving problems quickly, leaders minimize disruptions and allow team members to focus on job tasks.

Valuing diversity: when faced with complex problems, an effective leader recognizes the value that each team member brings. He encourages each to contribute ideas, methods and opinions, even if they differ from his own.

Fostering Collaboration: on high-performance teams, team members rely on each other for their individual skills and experience. When everyone gets rewarded consistently, these teams tend to work well together (Duggan, 2018).

During the last decades job satisfaction has occupied not only the social sciences, but also gained importance for companies. In an ever growing competition for the best employees, companies need to provide a good working environment. Moreover, job satisfaction increases productivity and initiates progress.

Job satisfaction as it is described by Locke ((Dunnette, 1976), is the result of a person's evaluation of job and job experience. In general it includes employees' feelings towards their work. Naturally, employees that feel positive about their job are more willing and able to give it their full attention.

Hoppock also defined job satisfaction as any combination of psychological, physiological and environmental circumstances that cause a person to truthfully say that he is satisfied with his job. Moreover, there is not universally accepted definition of job satisfaction because it is a complex and multifaceted concept that provides different definitions and perceptions to different individuals (Jalagat, 2016).

Job satisfaction is undeniably considered as one of the major considerations in assessing the efficiency and effectiveness of any business organizations. As a matter of fact, businesses nowadays under modern management perspective duly takes into consideration the employees' personal needs, wants and desires to be a very good indicators for achieving job satisfaction. Ideally, logic commands that when an employee is satisfied with his job, that will make him happy and when he is happy he will likely become a successful employee. Furthermore, the essentiality of job satisfaction had been noticed thus far because of the negative consequences brought about by job dissatisfaction cause by growing cases of absenteeism, non-loyalty, increasing cases of accidents and others (Jalagat, 2016).

Various authors have identified the different factors that influenced job satisfaction. This includes but not limited to: salaries and benefits, organizational climate, autonomy, achievement, recognition, job security, workplace flexibility, degree of professionalism, communication, working conditions, interpersonal relationships, job importance and others (Jalagat, 2016).

Another key parameter for measure Operational Effectiveness in High-Performance Workplaces is job performance. Job performance has been defined as the overall expected value from employees' behaviors carried out over the course of a set period of time. This definition, although fairly technical, includes specific ideas that are worth breaking down:

- Performance is a property of behavior, or, plainly stated, what people do at work
- An employee's behavior adds expected value to the organization that is, an employee's behaviors may be distinguished as helping or hindering an organization, but the outcomes of employee behaviors are rarely measured so their value is merely expected

Performance can further be broken down into two distinct types:

- Task Performance These are the actions that contribute to transforming raw materials to goods and services, the things that are typically included in job descriptions.
- Contextual Performance These are the behaviors that contribute to overall effectiveness through supporting the social and psychological climate of the workplace (Bullock, 2013). Importance of job satisfaction and performance within High-Performance Workplace is strengthened by the research which is based on data from the EWCS 2000, covering the 15 EU Member States (before May 2004), conducted by the European Foundation for the Improvement of Living and Working Conditions.

An analysis of data from the European Working Conditions Survey 2000 shows that high performance work practices impact positively on work satisfaction. Autonomy in the workplace, participation in decision-making and increased communication with co-workers

are key factors for workers' well-being. However, team work, job rotation and supporting human resource practices have only a limited effect (Weiler, 2005).

In theoretical and empirical studies (Appelbaum, 2000) conducted in the US and Canada, key advantages of High Performance Work places for firms are seen in achieving more flexibility, product quality, performance and cost competitiveness. The benefits for employees are seen in higher wages and increased job satisfaction.

Being a powerful driver for goal-oriented behavioral change on the one hand, and a driver of human interaction on the other, gamification as incentive system has the potential to revolutionize the way people work, collaborate and develop.

Gamification shall help to align organizational and employee objectives which according to the principal - agent theory do differ depending on the relevant objectives. While organizations strive for revenue and resource maximization, employees try to maximize their utility.

The abstract concept of utility can be translated into the previously identified work related needs and wants. It can be argued that gamification is extrinsic by definition, since its instruments (e.g. points and levels) are external influences which do not stem from the individual in an intrinsic sense.

Hamari found that gamification as instrument can help turning solely utilitarian systems (productivity-oriented) into more hedonically (pleasure oriented) ones (Wiegand & Stieglitz, 2014). Information technology can be used for both productivity and pleasure at the same time representing a form of dual-purposed motivation system combing the utilitarian and hedonistic dimension.

Organizations should understand gamification as a strategy to design behavior, foster innovation and develop human resources, however today's gamification systems often lack a sufficient game design. The core assumption is that for gamification to work employees' needs and goals need to be put over the goals of the organization.

## References:

- 1. Chou, Y.-k. (2013). *yukaichou*. Retrieved 4 24, 2018, from http://yukaichou.com: http://yukaichou.com/gamification-examples/what-is-gamification/#.Wt7lzy5ubX4
- 2. Pelling, N. (2011, 8 9). *nanodome*. Retrieved 4 25, 2018, from nanodome: https://nanodome.wordpress.com/2011/08/09/the-short-prehistory-of-gamification/
- 3. *Growthengineering*. (2016, 3 22). Retrieved 4 25, 2018, from Growthengineering: http://www.growthengineering.co.uk/the-birth-of-gamification-history-of-gamification-pt-2/
- 4. Burke, B. (2014, 44). *Gartner*. Retrieved 425, 2018, from Gartner.com: https://blogs.gartner.com/brian\_burke/2014/04/04/gartner-redefines-gamification/
- 5. Pettey, C. (2011, 11 9). *Gartner.com*. Retrieved 4 25, 2018, from Gartner: https://www.gartner.com/newsroom/id/1844115
- 6. Badgeville. (2015). *badgeville*. Retrieved 4 25, 2018, from: https://badgeville.com/resources/gamification-survey-results/
- Adkins, A. (2015, 1 28). Gallup.com. Retrieved 4 25, 2018, from Gallup: http://news.gallup.com/poll/181289/majority-employees-not-engaged-despite-gains-2014.aspx
- 8. Kapp, K. (2013, 3 25). *Karlkapp.com*. Retrieved 4 27, 2018, from Karlkapp: http://karlkapp.com/two-types-of-gamification/
- Wiegand, T., & Stieglitz, S. (2014, 1 14). Researchgate. Retrieved 4 30, 2018, from Serious funeffects of gamification on knowledge exchange in enterprises:
   https://www.researchgate.net/publication/286857738\_Serious\_funeffects\_of\_gamification\_on\_knowledge\_exchange\_in\_enterprises?enrichId=rgreq-128889b5ea217a44e2a827a45712f014-XXX&enrichSource=Y292ZXJQYWdlOzI4Njg1NzczODtBUzo0NjM0ODEyMTMzMjk0MDhAMTQ4NzUxMzk0MD
- 10. Pop, O.-M. (2014, 4 8). *hypeinnovation.com*. Retrieved 4 27, 2018, from hypeinnovation: https://blog.hypeinnovation.com/3-types-of-gamification
- 11. *Technologyadvice*. (2018, 4 16). Retrieved 4 27, 2018, from https://technologyadvice.com: https://technologyadvice.com/gamification/
- 12. Duggan, T. (2018). *smallbusiness*. Retrieved 4 30, 2018, from http://smallbusiness.chron.com: http://smallbusiness.chron.com/description-characteristics-highperformance-workplace-13451.html
- 13. Dunnette, M. D. (1976). The nature and causes of job satisfaction. In M. D. Dunnette, *Handbook of industrial and organizational psychology*. Chicago: Rand McNally College Pub. Co.,.

- 14. Jalagat, R. (2016). Job Performance, Job Satisfaction and Motivation: A Critical Review of Their Relationship. *International Journal of Management and Economics*.
- 15. Weiler, A. (2005, 4 13). Eurofound. Retrieved 5 24, 2018, from High performance workplace practices and job satisfaction: https://www.eurofound.europa.eu/observatories/eurwork/articles/working-conditions/high-performance-workplace-practices-and-job-satisfaction

# KNOWLEDGE MANAGEMENT DETERMINING SYMBOLIC CONTEXT IN ORGANIZATIONS

by Dina Aslamazishvili, 2017

We shall not cease from exploration and the end of all our exploring will be to arrive where we started and know the place for the first time.

T.S. Eliot, "The Four Quartets" [3]

Not so much time passed from the book "Order out of Chaos" published by Ilya Prigogine and Isabelle Stengers [5], whose ideas influenced not only physics and general view on the Universe, but many other spheres of human activity. The systems approach in management is based on the idea of open systems, characterized by change, disorder and process. The systems elements are 'fluctuating', and at a time ('bifurcation point') this process leads to chaos or new stage of order within the system. Chaos is the universal source of development in different systems, and organization is not exclusion. Manager is far from being omnipotent, as if developing some mechanisms to oppose chaos will be in a role of a traffic controller in a narrow passage. Organizational symbolism research explores the issue of symbolic processes in organizations more superficially, investigating mostly organizational culture artifacts, and missing the deep layers of symbolic.

Symbol is an intuitive spiritual inception displayed by means of signs, images, and metaphors that give shape to symbolic sphere. The symbolic sphere consists of the three areas –

psychological (image), semantic (metaphor), and communicative (sign). In all these areas images, metaphors and signs exist as simulacra of the original symbol's meaning. Like in the popular TV-show on Discovery Science with Morgan Freeman "Through the Wormhole", one scientist looking for the very first alive organism on the Earth makes analogy with the bicycle. If one looks at the bicycle today, it is still bicycle but with many technological changes, however the premature structure of the bicycle is the same. The original bicycle in its original sense will be the same as today's models. The same happens with symbol. Symbol is like the original bicycle, and its displays as signs, metaphors and images are already multilayered variants existing nowadays. In other words, symbolic simulacra, - multiplied replicas with the lost original meaning. Simulacrum, by Baudrillard, is not just degenerated copy, it includes the positive strength. The thinker offers the following order of simulacra, - first is 'Fake' – the classical epoch of Renaissance, based on the natural law of value, second is 'Production' – industrial epoch of commodity law of value, and today is in place 'Simulation' – the epoch of code, based on the structural law of value [1].

Code epoch nowadays dictates the importance to specific symbolic processes, as symbolic is displayed by codes, includes codes and disseminates codes. It is a new system of relations in organizations which gets attention and plays significant role in achieving goals. This system is fully deepens into the symbolic sphere. This system is created and based on symbolic relations. Semantic, communicative and psychological areas unfold the code law of organization today. Baudrillard underlines that symbolic is not a meaning, not a state, not a category neither structure, it's an act of exchange and social relation setting the end of reality, resolving in itself reality, and opposition of reality and imaginary [Ibid.]. Code epoch is based on dualities, binary system – like question-answer, 1-0. It reflects the nature of symbol itself, as consisting of zero structure and 'prime-sense' (original primary sense). Symbol like if ekes the loss of meaning and duality of simulacra, constructing the symbolic sphere's areas. Bifurcation itself means as well dividing into two, it is divarication for organization, which state will it take. Will it decay

into not connected pieces and vanish, or will it take a new structure, - stronger and more complicated.

Symbolic context is subjected to fluctuations, and is their major source in organizations. Berdyaev states that symbol is a liaison, - sign and along with it connection or link. Symbolic means connecting by dividing [2, p. 62]. Symbol and symbolic assume the existence of two worlds, as symbol claims that the meaning of one world exists in another world, and there comes some sign from the other world to bring us to the meaning. Symbol is uniting two in one, and like the primary source, the original meaning is transited to us in simulacra taking the form of signs, metaphors and images. Symbolic context is supersensible connotation of organization. Organization consists of three indivisible elements, - structure, goal and people. Each of them is symbolic in nature. Structure is not physical, 'real' phenomenon, it is not material object, it presents the arrangement of jobs, positions, functions, and the connections among them. Arrangement and connections belong to the symbolic context, as they create the supersensible framework, which can be analyzed within some existing models. Goal can be quite material as in its final state, however when it exists as the conducting element of organization, it belongs to the symbolic context as well. What is goal, - it is the projection of the final result one wants to achieve, it is not achieved yet, so it like if doesn't exist. Moreover, the goal then is surrounded by many planning activities and ways of communication. All of them are supersensible, packed in the originally stated goal. Finally, people, quite physical element, - real employees, real 'hands' for working activities. Nevertheless, people are not only 'hands', they are minds and hearts with unique personalities and maximum possible supersensible elements. They do not only constitute the symbolic context in organization, they do influence it. People are like a number of supersensible systems within the symbolic context. Decisions in organization are made by people, and these decisions can be conscious and unconscious, they can fit fluctuations and help the system to go through the bifurcation point, and they can be destructive for the system. Organizational decisions are invisible electrons in the organizational atoms. These symbolic atoms are circulating, and by accident meet each

other, are absorbed by other atoms, exchanged with other electrons. It creates the non-stable state of the system. Accident considers many factors, and only their unique and 'needed' combination can cause bifurcation point. Symbolic context in organizations provides the combination of factors initiating the change.

Symbolic sphere is characterized by the tense created within the symbol's duality. Symbol is gravitating towards zero, completion, absolute beginning. Tense means fluctuations, as symbolic context in organization is an act of exchange, social relation, code simulacra. Managing symbolic processes is like regulating temperature for the thermodynamic systems to get to the bifurcation point and get to the more complex level. Chaos engenders structures only by the specific 'accidently' fitting conditions, and today the manager's main target is to predict and control these conditions to understand what chaos will lead organization to at the bifurcation point, and moreover, to utilize it for achieving specific organizational goals. Such conditions in organization, so called 'regulating parameters' can be motivation system, competition level, technology and others. Chaos mixed with these parameters presents the dominating order, which can be characterized by some parameters of order like, for example, who spend time together in breaks, or how the mutual gain is divided. In managing organization it is not possible to apply multiplicity of orders, or only one order, it will lead to chaos. In organization as in any system can exist coherence (one direction) or synergy (acting together, in multiple directions but jointly). Coherence is not enough for effectiveness (in spite of that it leads to quite efficient organizational results). Synergy can help organization's members to become real team, and get much better results in achieving organizational goals. Manager can create the conditions for synergy in organization by understanding and managing symbolic processes. Symbolic context in organization is the result of human symbolic activity in it, supersensible framework, which is difficult to be managed in the traditional meaning of this activity.

Managers meet new challenges in simulacra frame of organizational life. Too much order is ineffective, lack of understanding symbolic processes leads to lower flexibility in dynamic

environment. Besides deep vision and rethinking of the organizational symbolic context, there are some approaches from the managerial toolbox which can help to if not influence, at least be involved in the symbolic processes, which lead to synergy, 'directing' chaos and generally get non-linear system (organization) towards the new more complex and effective state.

Knowledge management operates with the inhabitants of Popperian world 2 [4], its target is mostly tacit knowledge, - highly personal and hard to formalize. It is difficult to communicate or share with others. Guts, insights, intuitions are included in this category of knowledge. The individual's actions, experiences, ideas, ideals, emotions and values fall into the category of supersensible symbolic context. Some methods of knowledge management help to deal with tacit knowledge and keep transition of world 2 into world 3. The three worlds are interacting like the following: world 1 drives and enables world 2 to exist, while world 2 tries to control and regulate world 1; world 2 produces world 3, while world 3 helps in the recall and the training/education/development/learning of world 2; world 3 describes and predicts world 1, while world 1 is the inferred logic of world 3. Knowledge surrounds us (world 1), becomes a part of us (world 2), and is then stored in historical contents and contexts by us (world 3 artifacts). Robert Sutton, a professor of organizational behavior at Stanford's University School of Engineering, stays that knowledge management systems work best when the people who generate the knowledge, are the same people who store it, explain it to others, and coach them as they try to implement it. These systems must be managed by the people who are implementing what is known, not those who understand information technology.

One of the knowledge management ways determining the symbolic context of organization is gamification. Gamification is more the term than any other, as different people in different times used some game approaches and mechanics out of the game world, specifically for business processes, and one day it was called 'gamification', and there appeared a course on Coursera by Professor Kevin Werbach [6]. Game always appeals to the level of supersensible, it is like leaving the real world, and becoming someone else or doing something else. Gamification can be used in light and hard modes. Hard mode utilizes the game world for the

business goal, and light gamification enriches the everyday business processes with some game elements. In light gamification can be used such game mechanics as points, badges, ratings, missions and prizes.

Gamification follows the transformation of organizational knowledge into the symbolic superficial system. Symbols dynamically organize the organizational space in the form of game. One works within this system of connected meanings, and each meaning sends its signal as a neuron, building the unique symbolic system of organizational knowledge. Gamification provides the possibility of meaning transfer, founding the symbolic connections by dividing. Its mechanics (as bonuses, prizes, competition and others) are based on the basic human instinct – instinct to symbolize, to transfer images and meanings into actions. Gamification as a way of managing knowledge in organization fully meets the criteria of simulacra world people find themselves today.

#### References:

- 1. Baudrillard J. Simulacra and Simulation. University of Michigan Press, 1994. 164 p. (In English).
- 2. Berdyaev N. Samopoznanie (Self-Reflection). Leningrad, Lenizdat, 1991. 398 p. (In Russian).
- 3. Eliot T.S. The Four Quartets. A Harvest Book, 1971. (In English).
- 4. Popper K.R. Three Worlds. The Tanner Lecture on Human Values Delivered at The University of Michigan. April 7, 1978. Access mode: tannerlectures.utah.edu > lectures...popper80.pdf. (In English).
- 5. Prigogine, I. and Stengers, I. Order out of Chaos: Man's New Dialogue with Nature. Flamingo Edition, London, 1984. 349 p. (In English).
- 6. Werbach K. Gamification. Corsera. 2017. Access mode: <a href="https://www.coursera.org/learn/gamification">https://www.coursera.org/learn/gamification</a>. (In English).

# LEARNING AS THE MODERN CHALLENGE OF ORGANIZATIONS

by Tinatin Zeragia, 2017

Tell me and I forget, teach me and I may remember, involve me and I learn. Benjamin Franklin

Development of management as independent field of study and research has long history, beginning from the late 19<sup>th</sup> century. During the 20<sup>th</sup> century many theories have been worked out by leading scientists to distinguish the factors which affect effective workplace environment and productivity.

More than a century, scientists work on developing and finding better understandings, better ways of managing. While they think and contemplate, environmental issues change around them and what was considered to be true for specific moment can become totally wrong after several years. These circumstances leave no room for scientists to be sure that this or that issue is completely researched and analyzed; there is no moment to relax and think that solutions have been made. There are no exact answers that can be resistant to time. This field cannot be considered as scientifically exact, every decision can be right in a specific moment and every decision can be wrong in another specific moment.

The field of management is full of dilemmas that need to be researched and analyzed. Our paper will discuss only one of them, namely, learning. Learning is the tool to change human behavior. When we learn something it affects our way of thinking and way of doing things that is so much important for successful transformation of ourselves and our behavior. Managers always face the situation when they need to change behavior of their employees, change their way of doing job, change the way they think and perceive their jobs and organizations, change their attitudes towards internal or external environment. These tasks are impossible to achieve without both teaching and learning as the whole process.

Learning makes us different, it makes us think more. We learn when we study at school, when we attend University or other courses; we learn when we work and gather experience; we learn when we observe others, see their success or failure; we learn on our mistakes and failures.

Learning makes thing achievable, more tangible and accessible for us. We invest in our learning as well as learning of our children and we strongly believe we will have important return. Mostly this happens.

We learn and we teach. Knowledge needs to be transferred and shared to have its effect. We invest not only financial resources in this process but as well effort. We use effort to teach our children, friends, employees, peers, managers or students, everyone who we need to change their way of thinking or doing things. To make them better, make better ourselves and our general environment.

We learn to learn. We need to know how to be able to learn. We are all different, that means we need different approaches and methods to achieve desired results. We need to learn how to teach others, what their opportunities are and what the best approach is to make others learn and change their selves.

Learning is widely studied by psychology. This is connected to the key psychological factors. Learning shapes our thought and language, our motivations and emotions, our personalities and attitudes. Great contributors in researching this issue are scientists like J.B. Watson, I. Pavlov and B. F. Skinner with their important ideas and experiments.

Contemporary business and management uses the principles of learning to improve their results and effectiveness as well as motivation and commitment of its employees. From one point of view people are learning, from another organizations are learning as an independent entity able to learn and develop. Learning in organizations is based on some key factors that decide what changes will be caused by this experience. The key elements or the major factors that affect learning are motivation, practice, environment, and mental group. Motivation – the

encouragement, the support one gets to complete a task, to achieve a goal is known as motivation. It is a very important aspect of learning as it acts gives us a positive energy to complete a task. Example – the coach motivated the players to win the match.

Practice – we all know that "practice makes us perfect". In order to be a perfectionist or at least complete the task, it is very important to practice what we have learnt. Example – we can be a programmer only when we execute the codes we have written.

Environment – we learn from our surroundings, we learn from the people around us. They are of two types of environment – internal and external. Example – a child when at home learns from the family which is an internal environment, but when sent to school it is an external environment.

Mental group – It describes our thinking by the group of people we chose to hang out with. In simple words, we make a group of those people with whom we connect. It can be for a social cause where people with the same mentality work in the same direction. Example – a group of readers, travelers, etc. (Tutorials Point Simply Easy Learning, 2017).

Organizations can use diverse tools to increase learning degree inside their employees. Nowadays there are lots of methods like individual or group trainings, lectures, degree program financing, on-job trainings, coaching, mentoring and so forth. Saving company expenses on learning and development of human resources is not considered to be the right decision any more. Environment on labor market has proven the importance of skilled and educated employees. This is as well seen in results, that companies achieve using well-trained people, who in addition have increased motivation by the fact that organization cares on their future growth and development (Professor Arun Kumar, arunk.com).

As popularized by Senge (1990), a learning organization is "an organization that has woven a continuous and enhanced capacity to learn, adapt and change into its culture. Its values, policies, practices, systems and structures support and accelerate learning for all employees" (Nevis et al., 1995).

Another interesting term connected to learning and organizations is organizational learning. This is the process whereby an organization becomes a learning organization. It requires that an organization be prepared to learn from both failures and successes; rather than being a blaming organization, it becomes one that celebrates and learns. Organizational learning is often used synonymously with learning organization. While the distinction may not be significant, organizational learning is the process an organization uses to become a learning organization (Gary N. Mclean, 2006).

The most important thing to focus after this discussion is that, we live in a changing world, we live in the era of organizations, we need to adapt and we need to make others adaptable. Managers need to think this way to make their organizations competitive and effective and employees need to think this way to make themselves competitive and attractive on labor market, achieve their career and personal goals. Learning is one of the ways to achieve these goals. We need to learn and organizations need to learn as well.

#### References:

Gary N. Mclean, Organizational development, Berrett-Koehler Publishers, Inc. 2006, p. 271 Nevis et al., 1995, p. 73

Senge, P. The Fifth Discipline: The Art and Practice of the Learning Organisation. New York: Doubleday Currency, 1995.

Professor Arun Kumar, Shuchita Technologies (P) Ltd., available at:

http://www.arunk.com/pdf/study%20material/Unit-6.pdf

Tutorials Point Simply Easy Learning, 2017, available at:

https://www.tutorialspoint.com/organizational\_behavior/organizational\_behavior\_learning.h

tm

SPECIFICITY OF STAFF MOTIVATION & VALUES-BASED FRAMEWORK
WITHIN EDUCATIONAL INSTITUTIONS

by R. Michael Cowgill, 2017

Some values-based framework issues are relevant to other organizations and some are completely unique within the educational sphere. This dichotomy also applies to what motivates staff in such educational institutions. Having been involved in hundreds of organizations, I can easily say that the staff (including lecturers) in the educational sector have a more diverse and varied set of behavioral norms that challenge the development of a set of motivational techniques that cover the range necessary to be usable.

#### **Educational Institutional Frameworks**

Educational Institutions have both unique and common characteristics related to their valuesbased frameworks, depending on their legal status as follows:

- Private operate as businesses, fully subject to market conditions regarding supply/demand; tuition pricing; quality of educational product; competition. My contention is that the definition of clients is an easy one those organizations that hire the students and graduates. Financials can be more complicated where there is a reliance on endowments and research grants for economic viability. Usually, private institutions make program decisions based on demand from the hiring organizations.
- Public in addition to market conditions, they are extensions of government and reliant on government subsidies/funding; political factions. Depending on the governmental oversight and limited budget conditions, some public institutions may be held to a higher standard regarding financial viability. Public institutions also have a different role to play in providing programs that may or may not be in great demand that is providing "education for education sake".

Not-for-Profit – similar to other NGO's where, although not saddled with the links to
government, there are issues when donor funding is required and often blurs the lines
when defining who are the real clients – students, donors, or hiring organizations.
Program decisions are often more complicated and again, subject to influence from
donors when necessary.

All the categories of educational institutions above struggle with decisions as to optimum size and as mentioned – what programs to include in their curricula.

#### What motivates staff in educational institutions?

- Financial similar to every other organizational staff member. There are numerous studies which define this characteristic, including "how much is enough" and methods, timing and forms of payment. Equal pay for equal work is also relevant here.
- Benefits both formal and informal including vacation, holidays, sick leave, maternity/paternity leave, insurance, pension/retirement, sabbaticals, training, access to courses, discounts for family members, etc. Is a menu approach to benefits better for motivating staff? Similar to the financial characteristic, there is a plethora of research on this subject.
- Status & title, including "trappings" including public exposure, facilities, office space, equipment, etc.
- Organizational & managerial being involved in a complex organizational structure.
- Leadership role being and "being considered" as a leader within the organization, with the students, and outside the institution
- Imparting knowledge and developing minds and character of students a combination
  of assuming one has something which is of value to the students and a truly altruistic
  concept of wanting to see students grow in knowledge and maturity.

- Improving society in general and a sense of "giving back" where there is a realization that education is a key aspect in the growth and success of society. Also, many involved in education feel a responsibility to give something back to the same society that gave them whatever measure of success they feel.
- Being associated with a younger generation there is definitely a motivating factor of being associated with a dynamic younger generation.
- Learning from students with some similarities to being associated with a younger generation, it can be very motivating to actually learn from the students, especially when there are international and adult students' programs.
- Social interaction this motivation for social interaction can be manifested with other staff and/or with students.

Generally, the motivating factors listed above are considered positive. I have chosen to avoid any factors that could be construed as negative, although they do exist, as they would not clearly be related to enhancing performance of the institutions.

# **History of Autonomy and Tenure**

There are some issues that also challenge the link between motivation and performance in educational institutions.

One is that education in general (including the institutions and lecturers – regardless of legal status) has historically been considered to have a semblance of autonomy. That concept of being autonomous is decreasing and educational institutions are held more accountable to all stakeholders. As an example, Deans are not only responsible for ensuring high-quality curricula with qualified lecturers – the Deans must also liaise with hiring organizations to better understand their program needs and also work with the university marketing departments to increase student enrollment in their specific faculties (schools).

The other issue is that of tenure with certain university professors where there is a guarantee of continued employment after a defined number of years of service. It is easy to see where this concept could have a negative impact on motivational techniques.

# Defining the Need for Additional Research

The next step in this dissertation development is to conduct research as follows:

- Review existing research on financial and benefits to determine their applicability to the educational sphere.
- Conduct additional research within a relevant educational institution to determine the relevancy of other motivational techniques on behavior that will enhance their performance within their institutional frameworks.

СИМВОЛИЧЕСКИЙ МЕНЕДЖМЕНТ В ИНФОРМАЦИОННО-КОММУНИКАТИВНОМ ПОЛЕ ОРГАНИЗАЦИОННОЙ КУЛЬТУРЫ by Dina Aslamazishvili, 2014

Символ "видится" (или "вспоминается") как такая странная Вещь, которая одним своим концом "выступает" в мире вещей, а другим – "утопает" в действительности сознания

М.К.Мамардашвили и А.М.Пятигорский  $^1$ 

На одном из лекционно-семинарских занятий мы обсуждали со студентами возможности человеческого мышления и его использования в менеджменте организации. Мы пытались осознать, почему некоторым компаниям удается выживать и процветать при почти равных рыночных условиях с другими, или даже при менее выгодном отношении к рыночным силам. К. Камерон и Р. Куинн в своих исследованиях

57

<sup>&</sup>lt;sup>1</sup> Мамардашвили, М. К.; Пятигорский, А. М. Символ и сознание. Метафизические рассуждения о сознании, символике и языке. – М.: Школа «Языки русской культуры», 1997. – С.26

доказывают, что успех известных фирм с мировым именем определялся скорее ценностями компаний, силами личностного свойства, «чем завоеванием позиций в конкурентной борьбе; скорее заботой о понимании ситуации, чем проблемами ресурсного преимущества» <sup>2</sup> . Гуру менеджмента П. Друкер <sup>3</sup> подчеркивал нематериальность успешности организаций, настаивал на важности внутреннего свойства, писал о следующей информационной революции, - революции концепций.

Музей и университет как образовательные пространства обладают всеми свойствами организации, кроме того, Друкер подчеркивал неверность понимания менеджмента как менеджмента бизнеса, предлагая оперировать понятием менеджмент организации, что в значительной степени расширяет концепт и подходы. Успех любой организации определяется внутренними движущими силами, одной из которых является организационная культура, которая в свою очередь создает, расширяет и изменяет информационно-коммуникативное поле организации.

Современная цивилизация оперирует информационным пространством, третья волна Э. Тоффлера, пожалуй, достигла своей кульминации. С устоявшимися механизмами приходит и осознание нового места человеческого мышления, мышления символического, с одной стороны пережившего трансформацию от знания к информационному обществу, с другой, - через информационное поле возврат к символическому мышлению в новом виде.

В третьей волне общество движется от стандартизации к разнообразию, люди обмениваются создаваемыми ими образами, порождая противоречия «клип-культуры»<sup>4</sup> (Э. Тоффлер). Как писал знаменитый футуролог на заре информационной волны, больше невозможно получить готовую модель мира, ее надо воссоздавать индивидуально,

 $<sup>^2</sup>$  Камерон, К.; Куинн, Р. Диагностика и изменений организационной культуры. – СПб.: Питер, 2001, – С.29-30

<sup>&</sup>lt;sup>3</sup> Друкер, П. Ф. Менеджмент. Вызовы XXI века. – М.: «Манн, Иванов и Фербер», 2012

<sup>&</sup>lt;sup>4</sup> Toffler, A. The Third Wave. - «Bantam Books», 1980

преломляя информационные потоки через призму собственного восприятия. Навязанным моделям новая цивилизация не верит, имея доступ к огромной информации. Менеджеры утеряли «всемогущую» власть в организациях, так как более нет «единого лучшего способа» (англ. one best way –  $\Phi$ .У. Тейлор<sup>5</sup>), есть разнообразие способов, возможность интерпретации и успех в случае нахождения и применения нужного элемента «пазла» (магическое в менеджменте соответствие – англ. fit). Современная организация подразумевает символический менеджмент, а значит, способность менеджеров оперировать символическими смыслами, которые прекрасно функционируют в информационно-коммуникативном пространстве. Самым сильным механизмом управления становится в таких условиях умение убеждать сотрудников, а иногда и начальство, инвесторов, пайщиков, спонсоров, поставщиков и клиентов в верности выбираемых инструментов. Возможность убеждать усиливается при осознании важности организационной культуры как механизма такого воздействия, а также сильнейшего творческого напряжения, создаваемого информационнокоммуникативным полем организационной культуры.

Согласно утверждениям Тоффлера, мы имеем дело с инфосферой, ядро которой интеллект, в организации мы развертываем это ядро в управление знанием и творчеством (англ. knowledge and creativity management), у сотрудников изучаем свойства познавательного, практического и эмоционального интеллекта (англ. cognitive intelligence—IQ, practical intelligence, and emotional intelligence—EQ). Пожалуй, главным прорывом информационной волны можно считать необходимость создавать символические отношения. Замороженное состояние символического мышления индустриальной цивилизации сменилась переходом к важному элементу вселенной, делающему нас Человечеством, - символу, и первосмыслу в нем (первосмысл – смысл человеческого существования и жажда познания). Первосмысл является существенным признаком каждого символа, и сам символ является символом постольку, поскольку

<sup>&</sup>lt;sup>5</sup> Taylor, F.W. Principles of scientific management. – New York.: «Harper», 1911

первосмысл укоренен в нем как символокод, то есть свойственная человечеству единая система хранения социально-значимой информации посредством символоформ (знаков, образов, метафор). Это труднодоступный смысл, который каждое новое поколение стремится постичь, и даже само это стремление заложено в первосмысле символа. Для человечества первосмысл есть единство его прошлого, настоящего и будущего.

Значение и роль первосмысла приобретает новый оттенок в информационнокоммуникативном поле организационной культуры, которую можно определять поразному. Например, Э. Шейн подчеркивает ее многоярусность, помещая в основание ценность, Камерон и Куинн различают ее измерения. Организационная культура — это духовный код, негласно разделяемый менеджерами и сотрудниками организации. Если определять культуру как набор наследуемых над-биологических программ мышления, поведения и коммуникации, то организационная культура — это некий социальный код внутри организации, предписывающий определенные ценностные ориентиры, регулирующий поведение, а также создающий коммуникативное поле. «Жители» этого мира-3 (К. Поппер 7) — символы, которые являются главным ключом к воссозданию организационного мифа, а также главным способом передачи важной культурной информации.

Организационная культура – мир символов, более точно мир отношений «человексимвол» (в информационной цивилизации современный организации построены на
символических отношениях, как отмечалось ранее), имеющий следующие стороны:
онтологическую, гносеологическую, социологическую, антропологическую,
аксиологическую. Символические отношения пронизывают каждую из
вышеперечисленных сторон, охватывая, таким образом, пространство бытия, познания,
мини-социума, человека, ценностей в организации. Символ в качестве культурного

\_

<sup>&</sup>lt;sup>6</sup> Schein, E.H. Organizational culture and leadership. – San Francisco: «Jossey-Bass. A Wiley Imprint», 2004

<sup>&</sup>lt;sup>7</sup> Поппер, К. Р. Открытое общество и его враги. – М.: Феникс, Международный фонд «Культурная инициатива», 1992

феномена не способен отвечать на вопросы, он их обрисовывает, задает векторы движения, расширяет спектр возможных ответов. Символ в организационной культуре наполняет символическое поле смыслами, присущими только этой организации, делая ее культуру уникальной. Следуя М. Элиаде<sup>8</sup>, прежде чем начать жить в мире, его надо создать, дополнить важными объяснениями, создать информационно-коммуникативную среду, «принять» символическое поле. На это способен лишь Человек, наполняющий смыслами мир своего существования. Человек – великий волшебник, способный превратить вещи в нечто особенное лишь символическим объяснением, здесь необходимо ключевое мастерство информационной цивилизации – убеждение, коммуникация.

Организационная культура создает информационную прошивку, которая по своей природе является символической, так как транслирует образы, знаки и метафоры. Невозможно просто сообщить сотрудникам, как «мы делаем здесь дела» или заставить их соблюдать определенные негласные модели поведения. Необходим некоторый код, заложенный в информационной прошивке организации. Кодирование и декодирование в информационно-коммуникативном поле организационной культуры происходит символически, значит через сохранение первосмысла и активность нулевой структуры. Нулевая структура символа подобна понятию «отсутствующей структуры» У.Эко 9, ускользающая и движущая интерпретацию-декодирование, дающая возможность спектрального разнообразия смыслов, каждый из которых «привязан» к первосмыслу символа, его несущего.

В организационной культуре символы находятся в основании, любая «выживающая» организация начинается с идеи, а значит смысла, отсутствия структуры. Только такой вариант основания организации может рассчитывать на успех. Нулевая структура символа инициирует интерпретации и преломление в практиках управления

\_

<sup>&</sup>lt;sup>8</sup> Eliade, M. Obrazy i symbole. Szkice o symbolizmie magiczno-religijnym. – Warszawa: Wydawnictwo KR,

<sup>&</sup>lt;sup>9</sup> Эко, У. Отсутствующая структура. Введение в семиологию. – СПб.: «Симпозиум», 2004

планировании, организации, лидерстве и контроле. Вся эта система функций символична, базируется на определенных ценностных ориентирах, которые определяют многие символические операции, начиная с формулировки стратегии и заканчивая типом контроля (например, бюрократический, рыночный или клановый).

Что менеджеры делают в организациях? Они планирует еще не существующие события, назначают определенные точки — цели и сообщают стратегическое направление как всей организации, так и в рамках конкурентного преимущества. Менеджеры организуют работу, создавая символическую структуру, «не видную» в реальности, а также создают систему управления персоналом, оперируя природой работы и ее содержанием. Менеджеры лидируют, достигают результатов посредством и с помощью других людей, - то есть осуществляют символическое влияние. И четвертая функция, - менеджеры контролируют при помощи измерения фактического состояния дел (символическое осознание процесса), сравнения с созданным заранее стандартом (еще когда структура была отсутствующей) и исправления ошибок или стандарта. Все эти действия в своей сути символичны, они несут оттенок создания паутины смыслов, наполняя организацию пониманием своих целей, путей их достижения и способов вовлечения работников в этот процесс.

Определяя особое место организационной культуры Шейн замечает важность ее информационно-коммуникативного поля, так например, чтобы верно декодировать сигналы, необходима точная привязка к их смысловым основаниям — символам. Так, например, начальник может ожидать инициативы без четкого распределения задач или наоборот может инициативу пресекать, требуя четкого исполнения приказов. Понять верность поведения новичку часто бывает сложно из-за «не-привязки» в начале работы к символам организационной культуры. Самые известные инструменты трансляции организационной культуры как истории, язык, ритуалы, артефакты основаны на символах, вернее на их проявлениях в информационно-коммуникативном поле, - знаках, метафорах, образах. В основание организационной культуры тот же Шейн закладывает

систему человеческих отношений, что продолжает утверждение постиндустриального информационного общества. Отношения эти в организации по сути своей символические. Менеджеры совершают символические действия, как было описано выше, они выполняют символические роли, как например, межличностные или роли принятия решений или информационные. Менеджеры работают с символами, вернее оперируют их «транслятами» в информационно-коммуникативном поле, - знаками, метафорами и образами.

Философия начинается с отсутствия, так и символический менеджмент начинается с отсутствия структуры, с вопросов, трансформирующихся в символы. Символы, с одной стороны, совершенно четко информируют о своем значении, - первосмысл, и с другой, дают разнообразие подходов, интерпретаций, направлений за счет нулевых структур.

Организация сегодня — это не только результативность и финансы, это, прежде всего, отношения. Это очередная символическая система отношений, созданная и поддерживаемая человеческой культурой. Символ, создающий символические поля — метафора, знак, образ, — проецирует их на любую организацию. В целом, проекции отражаются в организационной культуре, определяющей многие аспекты жизни и функционирования организации. Организационная культура в свою очередь подвержена трансформациям во многом за счет информационно-коммуникативного поля. Культурные трансформации происходят с различной амплитудой, словно раскачивая маятник. Более того, любая культура окостеневает на основе традиций, и лишь ее символическая подвижность способна предсказать амплитуду колебаний и точку бифуркации.

Элиаде в своих работах подчеркивал оторванность современного человека от символов, от их изначального первосмысла, как кладовой архаических инстинктов и близости к природе, однако информационная волна вновь возвращает человечество в

мир символов. Теперь через призму новой цивилизации они обретают новую подвижность в своих нулевых структурах, ведь если первосмысл остается колыбелью Человечности, то нулевая структура символов дает нужное для интерпретации и развития отсутствие.

Человек, как писал Э. Кассирер <sup>10</sup>, существо символическое, он находится в постоянном поиске смыслов, задает вопросы, ищет объяснения, и только удовлетворяя эту потребность в символическом, организация может рассчитывать на эффективность.

### Список литературы:

- Eliade, M. Obrazy i symbole. Szkice o symbolizmie magiczno-religijnym. Warszawa: Wydawnictwo KR, 1998
- Schein, E.H. Organizational culture and leadership. San Francisco: «Jossey-Bass. A Wiley Imprint», 2004
- 3. Taylor, F.W. Principles of scientific management. New York.: «Harper», 1911
- 4. Toffler, A. The Third Wave. «Bantam Books», 1980
- 5. Друкер, П. Ф. Менеджмент. Вызовы XXI века. М.: «Манн, Иванов и Фербер», 2012
- 6. Камерон, К.; Куинн, Р. Диагностика и изменений организационной культуры. СПб.: Питер, 2001, – С.29-30
- 7. Мамардашвили, М. К.; Пятигорский, А. М. Символ и сознание. Метафизические рассуждения о сознании, символике и языке. М.: Школа «Языки русской культуры», 1997. С.26
- 8. Поппер, К. Р. Открытое общество и его враги. М.: Феникс, Международный фонд «Культурная инициатива», 1992
- 9. Эко, У. Отсутствующая структура. Введение в семиологию. СПб.: «Симпозиум», 2004

<sup>&</sup>lt;sup>10</sup> Кассирер Э. Философия символических форм. В 3 т. Т.1.Язык.— М.; СПб.: «Университетская книга», 2001

# ROLE OF FUN AS AN ELEMENT OF TEAM CULTURE IN ENHANCING INTRINSIC MOTIVATION

## by Tinatin Zeragia and Dina Aslamazishvili, 2014

'What we are looking for, first and foremost, is a sense of humor . . . We hire attitudes.'

Herb Kelleher (CEO, Southwest Airlines)

The history of teams and team building goes back to the twentieth century, at least 80 years ago. It began when Elton Mayo (Professor of Industrial Management, Harvard Business School), the founder of the human relations movement, conducted research confirming the relationship between human factors, such as self-respect, recognition, self-direction, and productivity. By professor Elton Mayo were conducted Hawthorne experiments from 1927 to 1932. The intention of the experiment was to study the relationship between productivity and work conditions. Professor Mayo started these experiments by examining the physical and environmental influences of the workplace (e.g. brightness of lights, humidity) and then moved on to the psychological aspects (e.g. breaks, group pressure, working hours, managerial leadership). Mayo's study significantly impacted the way of management. It is regarded that it was his merit to emerge the concept of team building.

In the next two decades, other important researches and analyses had been conducted. Some of them proved team's effectiveness towards employer's self-motivation; some proved that company should be more accurate with creating better working conditions for employees. Some researchers found out that productivity increases when workers were organized into teams. During the 20th century, more and more research and real world experiences has been held by many high profile companies such as General Motors, Saab, Volvo, Honeywell, Xerox, and Pratt & Whitney, that demonstrated the effectiveness of teams and refined their structure and use. In the 90s, firms and other institutions put teams to work in a reality as the new way to solve problems, generate ideas, and accomplish important goals.

Many organizations are using teams is order to effectively involve employees in processes and solve problems. Many organizations change their design to better fit teams. Team has the function to improve existing situation in organization and solve problems. Team can be a challenge and a benefit. The dilemma is how to manage it as effectively as possible to gain all the positive sides. Lyman D. Ketchum and Eric Trist underline: 'Employees will best respond (be productive) when they have a high feeling of self-worth and of identification with the success of the organization' (Ketchum and Trist, 1992, p.18).

While discussing teams success there are many factors to be regarded, like how team supports the given organizations strategy, field, rules and other business systems. Before deciding which type of team should be implemented in the organization, managers should carefully research each type of teams and see how they coexist with company's cultural values. The term "culture" is very complicated and it is defined differently by different authors. Culture is one of those terms that are difficult to express distinctly, but everyone knows it when they sense it. Commonly, organizational culture is the collective behavior of people that are part of one organization. When company begins existence, it creates system that is important to work in a given industry. People begin to work according to the policies and rules company that creates. While some people work together, even one or two persons, they create style of behavior that is not written in procedural statements. When organization begins expansion, all the new employees, begin to share this behavior. Later managers of the company identify this behavior as 'organizational culture' and begin supporting to maintain its uniqueness. Depending on environmental complexities companies often need to change its structure or design. One of the types of change is accepting team-based work conditions. In this case managers need to carefully analyze all the details in order to maintain organizational culture. Previous businesses were unaware of culture's importance and believed that it was too difficult to manage, but today they recognize that it can be used as the tool of competitive advantage.

Teams play a great role in organizational cultures as they actually change them. Team orientation is almost the initial step towards reengineering of the company's structure, and

moreover it demands new organizational values, and new system of shared beliefs. Less hierarchy, more horizontal linkages, more communication, and more empowerment – all these elements are integrated into organizational culture, and without effective managing its changing teams obviously would fail. Furthermore, organizational culture should be in a fit with the types of teams presented.

To understand fully the concept of team there is a need of elaborating the concept of team culture: do teams create their own culture, despite of the organizations type of culture where they work? Any team has its attitudes, beliefs, and norms. Team culture is concerned with how the team operates including its selection procedures and power structure, how rewards are given, practice procedures, game protocols, acceptable behavior and dress code. Team culture often depends on the traditions, or lack of them, of a team. (Answers, 2012) Moreover, team culture constitutes values shared by the members of the team, and creates a foundation for team's differentiation with other teams. It is becoming crucially important that teams function productively with a minimum of supervision. Team culture ensures that its members demonstrate their best talents and function synergistically as a unit to achieve common goals. When team culture reigns, teams are dependable and consistent. People commit their ideas openly and demonstrate creativity and motivation. While the team struggles its way through development stages, members are forming internal relationships. Eventually these relationships become so much important that success or failure of team depends on this. We can characterize team's culture as the sub culture of the organization that reflects basic organizational culture's values and morale but still remains distinct and unique. People who are incorporated in teams create their typical and unique relationships that fit organizational cultures but are different from other employees and team members relationships. If these relationships are created and work in a positive way, success of the team's performance is more predictable to be real and great.

Another big issue in modern management is analyzing the critical points of successful performance of an organization. What is the reason that some people work as hard as they can

and others an others do not? What can managers do to influence employee motivation and performance? Money is not the only response; moreover money is an indivisible element of job, but not effective motivator. These are the fundamental questions in understanding employee's behavior. Managers who are good at psychology can hold a valuable tool of understanding the causes of behavior in organizations, predicting effects of any managerial action and directing behavior so that organizational and individual goals can be achieved. Management is not only the science that can be taught in the university and if you hold a diploma you can't be sure you are a good manager, it is more complex, there are so many human factors that person learns, understands himself, experience of living among human beings is the greatest lesson for a good manager. That's the tool manager should hold, knowledge of human factors.

Psychology differentiates motivation as the process that initiates, guides and maintains goal-oriented behaviors. Motivation is what causes us to act, whether it is getting a glass of water to reduce thirst or reading a book to gain knowledge. It involves the biological, emotional, social and cognitive forces that activate behavior. In everyday usage, the term motivation is frequently used to describe why a person does something (About.com. Human Resources, 2012).

In business, motivation is seen as internal and external factors that stimulate desire and energy in people to be continually interested in and committed to a job, role, or subject, and to exert persistent effort in attaining a goal. Motivation results from the interactions among conscious and unconscious factors such as the intensity of desire or need, incentive or reward value of the goal, and expectations of the individual and of his or her significant others (businessdictionary.com, 2012).

Today motivational issues are more complex and demanding. Employees need to be more self-managed. Extrinsic rewards can't offer that deep passion to work that is needed. Intrinsic rewards comes directly from the work employee does. In the new business environment

intrinsic motivation is crucial. Surely, it doesn't mean that extrinsic rewards are unimportant. These two kinds of rewards can successfully support each other.

We can conclude that exactly motivation is that force that moves person to action. From managerial viewpoint, it defines the degree of persons' enthusiasm to work, to increase his willingness and desire to use his potentials to achieve organizational goals. The role of motivation is to develop and intensify desire in every employee of organization to work effectively in his position. In management intrinsic and extrinsic motivation are differentiated, as motivation can be a process and a result. Extrinsic motivation is usually a result of some extrinsic actions (as bonuses, incentives, benefits etc.), intrinsic motivation is a process, which is much more complex in terms of fixing and control from managers, however which creates affective commitment and 'we' attitude in organizations.

Intrinsic motivation does not mean, however, that a person will not seek rewards. It just means that such external rewards are not enough to keep a person motivated. Now we face the managerial challenge, what can manager do to increase employees' intrinsic motivation? This task is most difficult in organizations with daily routine of work, where people do one and the same work every day. Naturally it becomes boring, even increase of salary or good insurance package won't make it interesting. Creativity, support of new ideas, freedom of fresh mind is needed. Employee must be sure that can change something, can create or innovate existing processes. This may refer to even smallest part of a whole procedure, but when employee feels that his even smallest idea is regarded, bigger intrinsic motivation can occur.

Intrinsic motivation definitely is a managerial tool, as it helps to fulfill tasks through and with other people more effectively. Fun activities can complete the positive emotions created or enhanced by intrinsic motivation, at the same time boosting motivation.

This article explores how we can connect terms fun and work or fun and management with each other. Many people think that work is place where people must always be serious, and after working hours anything can happen. What if someone works in a very stressful

environment? And besides stress his work isn't quite interesting? After that tense working day person may not have desire to even go out with friends.

In large organizations almost always we can meet people who play the role of icebreakers, people who can relax a tense or formal atmosphere. Organizational culture plays a great role in this case to welcome and support that kind of people. In working teams there often can occur a stressful situations, especially on a starting developing stages. Conflicts and disagreements are natural part of it. While icebreaker is the part of a team, the big problems can be solved with humor and agreement, without irritation and fight that can eventually break down the team.

Professor David Collinson suggests that the exchange of humor at work has been found to be an effective antidote to job boredom and a useful device for the socialization of new workers (Collinson, 1988). Other experts see that joking and humor have been shown to reduce the potential for conflict (Carnevale & Isen, 1986) and increase employee creativity (Isen, Daubman, & Nowicki, 1987).

However, some well-known organizations differentiated themselves by consciously creating a climate of fun. For example, Southwest Airlines, led by CEO Herb Kelleher, who calls himself the "High Priest of Ha-Ha," strongly endorses the importance of fun. Southwest Airlines looks for a sense of humor in their new recruits, paints company airplanes in wild designs such as Shamu the whale, hides flight attendants in luggage racks to surprise customers, sends new hires on a scavenger hunt to uncover corporate history and culture, and produces rap music videos to communicate organizational results. Southwest Airlines wants its employees to take their jobs seriously but not themselves (Sunoo, 1995).

We can divide fun into some categories: type of fun for everyday working environment, type of fun for the specific dates (celebrations) and type of fun that is randomly decided and offered by management.

Everyday fun activities may include humor, fellowship, problem-solving, creativity, imagination. It is impossible to all the time work and even exists in a stressful and tense

atmosphere. When every morning employee knows that his working day should be like a punishment for him it is almost impossible that he will last long at this job. As nowadays, human resources became the greatest asset and no organization wants to lose good employees, they will have to eliminate boring and dull work atmosphere. Line managers, team leaders are people who can be directly responsible for it. They can be trained theoretically and practically. Good everyday fun activity example is creating a humor bulletin board, where cartoons and jokes will be placed weekly.

Activities for the specific dates are not difficult to manage, because you always have time to think the thematic type of fun. This can have the form of surprise, or employees can be proposed in advance, that would give them possibility to be involved in planning, managing and decision-making processes. Every year we celebrate one and the same events, so managers every year can choose different forms of activities and elements of fun for different dates. In this case top management and creative department should be involved, that gives the event more global importance.

Randomly decided activities also require involvement of management and creative teams. Management may announce beginning of some kind of a game (intellectual, physical) at work; they can announce it among individuals or among teams or departments. The last case would be very beneficial for specific departments or teams in order to increase internal interdependence, loyalty and serves as teambuilding activity internally and externally. Announcing funny dress-up days is a good idea to have fun, when everyone is encouraged to wear silly shoes, jackets and etc. Organizing an ugly tie or ugly shoes day would be also very funny and amusing.

Some researches done in Georgian banks show that people intrinsically support fun and amusement at work. All they need is that these theories become practically possible. But the problem is that management is not seriously involved in analyzing and implementing fun as the element of enhancing intrinsic motivation. They don't regard its role and all the possible

benefits they can get. The results of research prove that employees internally are fond of having fun at work, but they don't think this is practically and officially possible.

Usually this type of organizational culture serves its employees as a higher engagement from them of making work, increasing productivity and speed. Reduces work-related stress and increases internal positive attitude. Helps developing more creative thinking, open mindedness and eventually serves as preparation element for future leaders who think openly and freely.

Many theories exist about what humor is and what is its social function. People of all ages and cultures respond to humor. The majority of people are able to experience humor or to be amused, to laugh or smile at something funny, these people are considered to have a sense of humor (Wikipedia, 2009).

Using positive humor in organizations help increasing cohesiveness, creativity, discharge of stress and tension, supports communication and successful leadership. Humor creates positive feelings among group members by reducing external threats and thereby bonding group members (Francis 1994). Humor in communication creates an open atmosphere by awakening positive emotions that enhance listening, understanding, and acceptance of messages (Greatbatch and Clark, 2002). When making a joke about a stressful situation, person develops a sense of dominance and control over it (Henman, 2001), which is incompatible with stress and anxiety (Smith et al., 1971). Person feels that can defeat this situation, feeling more confident.

Humor has so many more positive sides; it can be used by leaders, top managers, plain workers and employees. They can use it with each other, it reduces social distance between them, it crosses borders between other personal differences, it makes all individuals feel the same, feel equal. It motivates people intrinsically, makes them feel happy, makes them love their job, their company, and makes them work harder to achieve great performance.

When we talk about good sides of humor, we should not forget that, there are not the only beneficial sides of using humor at work. A large amount of humor can become boring and annoying, especially when there are more than two people with strong sense of humor, other team members can make their constant amusement demotivated and annoyed. In this case, conflicts and misunderstanding can take place that leads to the final failure of team. Regarding these factors, team leaders and managers are obliged to protect and control borders in every employee's behavior.

### References:

#### Books and Articles

Carnevale P. J. D. & Isen A. M., (1986). *'The influence of positive affect and visual access on the discovery of integrative solutions in bilateral negotiation.'* Organizational Behavior and Human Decision Processes, 37(1), pp. 1-13.

Collinson D. L., (1988). *Engineering humor: Masculinity, joking and conflict in shop floorrelations*'. Organization Studies 9/2 pp. 181–199.

Francis L. E. (1994) 'Laughter, the best mediation: Humor as emotion management in interaction.' Symbolic Interaction, 17(2) pp. 147–63.

Greatbatch T. & Clark D. (2002). *'Laughing with the gurus.'* Business Strategy Review, 13(3) pp. 10 –18.

Henman L.D. (2001) 'Humor as a coping mechanism' Lessons from POWs. Humor, 14(1) pp. 55–82.

Ketchum L.D. and Trist E. L., (1992) 'All Teams Are Not Created Equal.' Newbury Park, CA: Sage.

Smith, R. E., Ascough, J. C., Ettinger, R. F., & Nelson, D. A. (1971) *'Humor, anxiety, and task performance'*. Journal of Personality and Social Psychology, Vol 19(2), Aug 1971, pp. 243-246.

Sunoo B.P. (1995) 'How fun flies at Southwest Airlines', Personnel Journal, June, Vol. 74 No. 6, pp. 62-71.

### Online Sources

About.com. Human Resources, 2012, available at:

http://psychology.about.com/od/mindex/g/motivation-definition.htm (07.03.12)

Answers, 2012, available at: http://www.answers.com/topic/team-culture (10.05.13)

businessdictionary.com, 2012, available at:

http://www.businessdictionary.com/definition/motivation.html (18.04.12)

Wikipedia, 2009, available at: http://en.wikipedia.org/wiki/Humour (15.05.12)

### СИМВОЛИЧЕСКОЕ ПОЛЕ В МЕНЕДЖМЕНТЕ СОВРЕМЕННОЙ ОРГАНИЗАЦИИ

by Dina Aslamazishvili, 2013

Современный менеджмент, по мнению зарубежных ученых, преследует две основные цели – эффективность (англ. effectiveness) и результативность, действенность (англ. efficiency). Результативность достигается за счет координирования и контроля использования ресурсов, а также увеличения продуктивности, производительности и объемов продукции. Эффективность представляет собой нематериальный («неосязаемый») результат многих процессов, координируемых менеджментом в организации. Эффективность – это достижение поставленных целей, в том числе и абстрактных (неосязаемых, англ. intangible), для чего необходим целый ряд новых условий, изучение которых – одна из задач менеджмента современной организации.

Современная организация существует в условиях меняющегося рынка, где есть факторы, находящиеся за пределами контроля менеджеров (например, природные факторы, экономические условия, политические изменения, изменения в законодательстве и тому подобное). Поэтому в современном менеджменте адаптивность уже значит эффективность, однако степень адаптивности может варьироваться в зависимости от организации и ее социальной среды. В отличие от традиционной современная организация строится с учетом необходимости пластичности и

изменчивости, она менее стабильна, более подвижна и адаптируема, а также стремится к постоянному восполнению опыта. Все эти процессы невозможны без управления важным компонентом эффективности – организационной культурой. Феномен организационной культуры упоминается уже в классической теории менеджмента (Ф.У.Тейлор) и административных теориях (М.Вебер и А.Файоль). Исследователи подчеркивают и выделяют основания организации, предлагая ряд важных принципов управления, формирующих теорию и практику менеджмента. Все они в той или иной мере подчеркивают необходимость выделения и развития административной функции и выработки некоего нематериального, символического (выделено нами – Д.А.) механизма управления. После Хоторнского эксперимента ученые и вовсе приходят к выводу, что социальная среда и отношения сотрудников определяют продуктивность, и обращают пристальное внимание на организационное поведение, доказывая что все функции в организации (планирование, организация, лидерство и контроль) подчинены случайности (англ. contingency), так как сама ситуация и ситуационные факторы определяют реакцию организации. Наибольшее соответствие (англ. fit) гарантирует эффективность, что делает современный менеджмент философией управления, призванной скорее к постановке правильных вопросов, чем прямому решению административных проблем.

В современной парадигме управления организационная культура занимает одну из определяющих позиций. Она, часто неосознанная, определяет многие позиции развития организации, оставаясь не до конца изученной и измеренной менеджерами. Организационная культура, как и культура в целом формирует программы поведения, мышления и действия с помощью символических систем. Культура может быть определена как система исторически развивающихся и передающихся все новым поколениям, надбиологических программ человеческой деятельности, поведения и общения. Надбиологических — значит, приобретенных в социальном опыте, накопленных в сознании или наследуемых бессознательно. В культуре хранится и

передается исторически накапливаемый социальный опыт, от поколения к поколению совершенствуется практика символизирования, генерируются новые программы деятельности, поведения и общения. Создание мира символов – прерогатива человека в его культуротворческой деятельности. Организация – это малая социальная ячейка, в которой осуществляется культуротворческая деятельность, а значит, создается мир символов, свойственный именно данной организации. Теоретик символизма А.Белый, подчеркивая необыкновенную сложность понятия «культура», называл ее цельностью, органическим соединением многих сторон человеческой деятельности, полагая, что культура определяется ростом человеческого самосознания и предполагает пересечение индивидуума и универса<sup>11</sup>. Организация, будучи материальным воплощением точки пересечения индивидуума и универса, во многом базируется на символических процессах. Подбор кадров, внутренняя и внешняя коммуникация, управление поведением, каждодневные рабочие отношения, лидерство, разрешение конфликтов, формирование и управление командой, поддержание творческого потенциала сотрудников, - это символьные операции, эффективный менеджмент которых необходим организации для выживания и успеха в условиях конкуренции в быстро меняющемся мире. Зачастую в операционный менеджмент включена так называемая непрямая ответственность за действия в рамках других функций организации. В данные операции могут быть включены и символьные, примеры которых приведены выше.

Культура создается и поддерживается системами символов, как неким культуротворческим кодом. Символ формирует символическое поле социума, и культура как одна из «символических форм» (Э.Кассирер) охватывается символическим полем. Практика символизирования является ровесником *homo sapiens*. Как утверждает О.А.Кармадонов, «по-настоящему Человек состоялся не тогда, когда "обезьяна взяла в руки палку", а в тот момент, когда он начал символизирование, то есть, приступил к "наречению имен", с удивлением и страхом очнувшись от сна "золотого века" и

<sup>&</sup>lt;sup>11</sup> Белый А. Символизм как миропонимание. М. «Республика». 1994. С. 308.

освободившись от нетворческого состояния "неотрефлектированного блаженства" (Кьеркегор)» <sup>12</sup>. Развитие психического отражения у наших предков в процессе их практической жизнедеятельности вело к генезису образного мышления возникновению потребности коммуникативного означивания. Так была заложена понятийно-коммуникативная основа дальнейшего развития высокоорганизованного рефлективного аппарата, способствующего возникновению абстрактного мышления и творению метафорических образов. Расширение использования речевых знаков (означивание), формирование понятийных образов (абстрагирование), выковывание языковых метафор (антропоморфизация) – таким могло быть синкретичное начало, в котором зародилась «потребность ознаменования вещей» (В.Иванов). Удовлетворение этой новой потребности практикой символизирования стало конститутивным признаком состоявшегося человека. Кроме того, эта новая для человека практика зародилась в небольших общественных ячейках («пра-организациях»), то есть само взаимодействие людей в начале антропогенеза стало одной из точек отсчета символотворчества и в дальнейшем уже более осознанно культуротворчества. Организация как социальная единица и символическая интеракция сформировалась задолго до индустриальной революции в Америке. Потребность в символизации начинает удовлетворяться в «пра-организации» (первобытном обществе), так как символ не только несет некий смысл (первосмысл), он также посредством нулевой структуры «склоняет» к интерпретации, к «привнесению» нового смысла, новой структуры; для этого необходима интеракция, взаимодействие, культуротворчество.

В литературе по менеджменту организация часто рассматривается как система интерактивных взаимосвязей трех основных элементов – структура, люди, цель (англ. structure, people, purpose). В реальности множество организаций не начинается с физического планирования всех трех элементов, они начинаются с идеи, смысла, и

\_

 $<sup>^{12}</sup>$  Кармадонов О.А. Символическое как объект социального анализа: дис. на соискание степени д-ра филос. наук: 09.00.11. Иркутск. 2004. С. 118.

только в процессе основания и развития приводят эти три элемента в некую систему. Идея и смысл – это суть символы, которые могут проявляться в трех символоформах: знаках, метафорах, образах. Символоформы в свою очередь обслуживают три среды символического поля: семантическую, психологическую и коммуникативную. Управление организацией значит управление всеми тремя средами, сформированными и развивающимися в организационной культуре. Можно выделить несколько плоскостей общего понимания символа: нечто, что может служить для различения вещей и явлений, (знаковообразный элемент; условный знак; условный образ; объединяющий знак; отличительный знак, условное обозначение); нечто, что способно воплощать идеи (знаковое замещение определенного культурного порядка; выражение того, что невыразимо иным путем); нечто, указывающее на определенный порядок вещей (индексация определенного объекта, артефакт, жест, стереотип поведения или слово; нечто объединяющее (представление полной картины, сущности); нечто с особым тайным смыслом, служащее средством коммуникации людей. Элементы различных моделей организационной культуры можно сопоставить с данными плоскостями, что дает новое измерение управления современной организацией символическое.

В модели одного из главных экспертов менеджмента организационной культуры Эдгара Шейна представлено три уровня <sup>13</sup>: поверхностный – артефакты (зачастую материальные объекты, осознаваемые явления, видимые структуры и процессы), частично доступный – ценности и верования, и глубинный – базовые программы поведения, архетипы (бессознательные источники). Глубинный уровень – это уровень символа, «пульсирующего» в основе организационной культуры; балансирующий первосмысл и интерактивная энергия нулевой структуры оформляют символическое поле и его среды, представленные метафорами, образами и знаками. Модель Даниела

<sup>&</sup>lt;sup>13</sup> Schein E.H. Organizational culture and leadership. 3<sup>rd</sup> edition. San Francisco. «Jossey-Bass. A Wiley Imprint». 2004. C. 26.

Денисона содержит четыре основных направления культуровоздействия: миссия, адаптация, вовлеченность, согласованность. Символ посредством метафор, образов и знаков играет ключевую роль в эффективном управлении этими направлениями. Так, например, особый принятый язык в организации (коммуникативная среда, знак) может оказывать влияние на степень вовлеченности и согласованности; имидж организации (психологическая среда, образ) может обеспечивать степень адаптации; слоган компании (семантическая среда, метафора) зачастую закладывается с миссией миссию, как «объяснение» существования и целей организации.

Символическое поле организации влияет на многие управленческие процессы, включающие принятие решений, управление персоналом, различные аспекты мотивации, ценностный менеджмент (англ. values-based management), лидерство, организационную политику, а также базовые аспекты поведения сотрудников. Понимание определяющей роли символа в организационной культуре и важности роли ее самой в достижении эффективности уже не новшество для менеджеров современной организации, особенно в условиях повышенной необходимости в адаптивности и гибкости. Символ влияет на организацию, однако более актуален вопрос, возможно ли для менеджера повлиять на символ. Символическое поле не статично, благодаря энергии нулевой структуры, которая являясь внутрисимвольным образованием, способна разрушать старые и формировать новые смыслы, что выражено в многозначности символа. Нулевая структура становится абсолютным утверждением символа, его круговоротом, его повторением и, в конечном итоге, утверждением всеобщего для каждого символа первосмысла. Человечество, веками возвращаясь к одним и тем же символам и стремясь к уяснению их первосмысла, придает им все новые смыслы, и в этих духовных процессах меняется само. В динамике организационной культуры прослеживается та же тенденция. Существуют организации, которые можно назвать институциализированными (их трехуровневая культурная система по Шейну сохраняется и развивается по сценарию, заложенному их основателями, например, в

таких организациях как Макдональдс, Форд, Эппл, Микрософт и других. Специалисты называют подобные организационные культуры состоявшимися, – сильными и позитивными. Нельзя утверждать, что эти организации не адаптивны, скорее наоборот, они стараются бороться с тенденциями к застою и неэластичности, свойственными большим и ранее успешным компаниям. В таких организационных культурах происходит круговорот в символическом поле, – возврат к символам и восполнение их новыми интерпретациями. Символ находится в постоянном духовном движении; символическое поле активно, через него символ поддерживает постоянную связь с образами, метафорами, знаками. Осуществляется процесс взаимообмена: с одной стороны, символическое поле способно вбирать в себя продукты организационной культуры и философии менеджеров через знаки, образы, метафоры, а с другой, – «испарять» их в переработанном виде в пространство отношений мира и человека посредством новых символоформ, из которых строится тело новой организации.

Мэтс Элвессон подчеркивает важность символа в организационной культуре, рассматривая менеджмент как символическое действие. Влияние на символическое поле возможно посредством интерактивности метафор, знаков и образов. Управление ими, а также более общим планом организационной культуры означает не только формирование внешней адаптивности, но и внутреннее разделение значений и смыслов. Адаптировать всех сотрудников к одним и тем же ценностям не совсем эффективно в рамках менеджмента организационной культуры. Более действенно действовать ситуативно, направляя символические действия в соответствии с ситуацией, что позволяет более эффективно подойти к управлению символическим полем.

Культура современной организации динамична, символична и сложноуправляема. Менеджмент стремится к выработке практических моделей диагностики и изменения организационной культуры. Понимание и выработка механизма диагностики символического поля может приблизить современного менеджера к более успешному управлению организацией. Система человек-эффективность будет функционировать более продуктивно при должном внимании к символическому аспекту современной организации, при этом символические операции должны быть управляемы символическими действиями. Теоретики и практики менеджмента новой экономической формации (П.Ф.Друкер) и третьей информационной волны (Э.Тоффлер) выбирают символические инструменты: трансформацию, творчество, эксперимент.

### Список литературы:

- 1. Белый А. Символизм как миропонимание. М. «Республика». 1994.
- 2. Вебер М. Избранные произведения. Серия: «Социологическая мысль Запада». М. «Прогресс». 1990.
- 3. Денисон Д., Лиф К., Лэйн Н., Хойшберг Р. Изменение корпоративной культуры в организациях. СПб. «Питер». 2013.
- 4. Друкер П. Ф. Менеджмент. Вызовы XXI века. М. «Манн, Иванов и Фербер». 2012.
- 5. Иванов В. Две стихии в современном символизме. Электронный ресурс. Режим доступа:
  - http://www.9151394.ru/projects/liter/bibl\_11/manifest/simvolism/simvolism4.htm
- 6. Кармадонов О.А. Символическое как объект социального анализа: дис. на соискание степени д-ра филос. наук: 09.00.11. Иркутск. 2004.
- 7. Кассирер Э. Философия символических форм. В 3 т. Т.1.Язык. М.; СПб. «Университетская книга». 2001.
- 8. Тоффлер Э. Третья волна. М. ООО «Фирма «Издательство АСТ». 1999.
- 9. Элвессон М. Организационная культура. М. «Генезис». 2005.
- 10. Fayol H. Industrial and general administration. Paris. «Dunod». 1916.
- 11. Schein E.H. Organizational culture and leadership. 3<sup>rd</sup> edition. San Francisco. «Jossey-Bass. A Wiley Imprint». 2004.
- 12. Taylor F.W. Principles of scientific management. New York. «Harper». 1911.

## MANUS SYMBOLICUS AS A NEW GENERATION IN SYMBOLIC MANAGEMENT

### by Dina Aslamazishvili, 2013

Not only are we using customized products, we are using

diverse symbols to customize our view of the world.

Alvin Toffler<sup>14</sup>

Management experts and practitioners opened a specific intangible aspect of company's success along with management studies genesis. They called and investigated this aspect in different ways, for example: F.W. Taylor – developing a science for each element of individual's work (symbolization of the process instead of using just rule-of-thumb methods); H. Fayol administration as a special skill and art (management positions need people with administrative, communicative, human skills more than technical; directs management towards philosophy and underlines its symbolic foundations); M.P. Follett – group ethic, integration of professional workers inputs with people focus (such symbolic actions as leading, managing power, working within group dynamics, become the main target of effective managers development); W.E. Deming – quality, which starts from the fact that people should know what they must do (the first two principles highlight symbolic nature of 'new' management, underlining the importance of goal and new philosophy, which makes managers realize their responsibilities and become leaders in changes); E. Schein – the deepest level of organizational culture - values as symbolic programs; P. Drucker - knowledge (symbolic mechanisms and symbolic nature of knowledge workers). Experts, practitioners, business consultants tried to find out practical ways of measuring this intangible element of organizational life and counteract its possible negative effects on organizations.

This element can be called symbolization, as symbol is considered to be an intuitive spiritual fundamental, which connects two worlds – the world of existing objects and the world of their

82

<sup>&</sup>lt;sup>14</sup> Toffler A. The Third Wave. «Bantam Books». 1980. P. 257.

interpretations. Symbol always represents something else, and at the same time possesses the sense connected exclusively with this symbol (prime-sense). Managing organizations is a system of symbolic actions and interactions, which are displayed in specific patterns of behavior as deciding by intuition, determining in- and out-group by values, sharing codes, perceiving the world around and forming attitudes about people, organizations, jobs, and others. Symbolic managerial processes assure demand of human mind for different historically accumulated social experiences (culture) including the experience of symbolization. Contemporary organization is managed by "homo symbolicus" (E. Cassirer<sup>15</sup>) as in the world of culture physical reality is substituted by the world of symbolic actions. Symbols start playing a more significant role than any technical operations in production.

Peter Drucker in his "Post-capitalist Society" argues that knowledge is the main factor in production, especially nowadays within significantly growing service industry' characterized by mass production and mass customization. Moreover, along with the changes of old economic paradigms, in "post-capitalist society" knowledge application to knowledge is the main trend. The mental change in management started with Frederick W. Taylor, who changed one of the main paradigms of industrial society, proving by his experiments and "one best way" practices that mastery secrets should not be kept in mystery anymore; he tried to apply knowledge towards production process and labor, which actually became a radically new step for management. One of the four F.W. Taylor's principles of management makes workers a significant part in learning labor process, which develops the need for thinking in complexes and symbols. It is not already enough just to inherit some basic technical principles in the role of apprentice, even for technical training there is a need for combination with some basic theoretical background, which creates flexibility and adaptability if the situation goes different from stated technical cases. The basic human need for reflection gets alive in this new

-

<sup>&</sup>lt;sup>15</sup> Cassirer E. The Philosophy of symbolic forms, Volume 1: Language. New Haven&London. «Yale University press». 1955.

<sup>&</sup>lt;sup>16</sup> Drucker P. Post-capitalist society. New York. «HarperCollins». 1993. pp. 19-47.

aspect, as if humankind again starts new 'reflective' era from cave paintings in a metaphorical Lascaux – contemporary organization.

Knowledge becomes one of the main mechanisms in achieving organizational success; and the ability to transform and transmit the knowledge - one of the main capabilities developed by contemporary successful managers. In "post-capitalist society" there is a need for symbolic transmitting mechanisms, which makes management more symbolic than ever. Jeffrey Pfeffer in 1981 in his article "Management as symbolic action: The creation and maintenance of organizational paradigms" 17 shared a new direction in management vision—symbolic management (managers are symbols, they cannot be fully responsible for what happens in an organization) opposed to omnipotent view (managers are fully responsible for success or failure of the organization). Symbolic management in this perspective underlines a new managerial function (along with classical four of planning, organizing, leading and control) – a symbolic one, which intervenes and determines all others. Symbolic actions play a significant role, for example, in contemporary planning tools as project management and scenario planning, in organizing working with organizational design and shaping human behavior, in leading by symbolic figure of a leader and managing people, in control by managing organization as a system and dealing with operations. P. Drucker puts management in symbolic category calling manager a person who is responsible for knowledge application and effectiveness<sup>18</sup>.

Alvin Toffler proves the New Wave information nature; while Second Wave civilization dealt with physical production, the Third Wave is fully dedicated to knowledge in "clip-culture", knowledge transformed into information. As the famous futurist puts it: "As fewer workers in the rich nations have engaged in physical production, more have been needed to produce ideas, patents, scientific formulas, bills, invoices, reorganization plans, files, dossiers, market research, sales presentations, letters, graphics, legal briefs, engineering

\_

<sup>&</sup>lt;sup>17</sup> Pfeffer J. Management as symbolic action: The creation and maintenance of organizational paradigms.

L.L.Cummings&B.M.Staw (Eds.), Research in organizational behavior. Vol. 3. «Greenwich, CT: JAI». 1981. pp. 1-52

<sup>&</sup>lt;sup>18</sup> Drucker P. Post-capitalist society. New York. «HarperCollins». 1993. pp. 19-47.

specifications, computer programs, and a thousand other forms of data or symbolic output"19. A. Toffler recognizes symbolic nature of the new civilization, and symbolic output is an indivisible element of management in this information society. The Second Wave civilization or the industrial society with factory as a symbol going to its end "moved much of social memory outside the skull", and "that memory became objectified, embedded in artifacts, books, payroll sheets, newspapers, photographs, and films"20. It was a beginning of symbolic production, reflection and cognition. Moving into the Third Wave with computer as a symbol meant for humankind moving into symbolic thinking, as "a symbol once inscribed on a page, a photo once captured on film, a newspaper once printed, remained passive or static. Only when these symbols were fed into a human brain again did they come alive, to be manipulated or recombined in fresh ways"21. Symbolic recombination, knowledge manipulation are the main principles in management today, which makes symbolization the major function of management. Effective manager is someone who can make work through other people; that means to be able to administer interactive space, consisting of communication, human behavior, leadership, power, and negotiations. In any interactive spaces there exists a symbol forming symbolic fields displayed by metaphors, signs and images.

Symbolic management can be seen in different perspectives of interacting effectively with people – out of organization (external stakeholders) and in organization (employees): as brands, logos, PR (images), communication mechanisms (signs) and organizational culture's values, artifacts, behaviors (metaphors). Contemporary organization is the field for *manus symbolicus* (symbolic hand, embodiment of A. Smith's "invisible hand" symbolizes a symbolic manager) dramatically different from manager of the First and Second Waves modes of production, different in abilities to heuristic symbolic, i.e. abstract and metaphoric thinking, and famous Plato's cave allegory<sup>22</sup> proves that transformation. Grotesque shadows we are

\_

<sup>&</sup>lt;sup>19</sup> Toffler A. The Third Wave. «Bantam Books». 1980. P.186.

<sup>&</sup>lt;sup>20</sup> Ibid.

<sup>&</sup>lt;sup>21</sup> Ibid. P.177.

<sup>&</sup>lt;sup>22</sup> Plato. Republic. Book VII. 514a-c – 521 a-e. Online. Access mode: http://www.math.nus.edu.sg/~matlmc/Allegory\_cave.pdf.

thinking by, fill our world outlook and form our mental models. Values, attitudes, norms and behaviors are no more than shadows on the wall of a prison. However, to escape from that prison, one goes by symbols to the highest truths, or to the world of Plato's Ideas. Symbol is a mechanism for escaping, for opening new horizons, and for deepening shared values in cultures to distinguish and differentiate. Symbol is two-folded, it is converging culture, strengthening it and allowing for self-displaying. Western thinking tradition presents arguments and counter-arguments in logic, whilst the Confucian way is diligently looking for symbols and through them reduces argumentation to see the Truth. Just as in a fabulous story about the elephant and how blind men in a dark room tried to describe this animal. One presented it as a snake (holding its tail), another as a tree (holding its leg), and so on, and together they couldn't present a whole image and could never come to an agreement. Argumentation is the reason for thinking but these arguments are obstacles for understanding and changing, they are no more than the truth. Symbolic management is transformation of arguments into symbols as in a new symbolic organization o the information society managers speak the symbolic language. Significant part of data, information, and knowledge is reflected in 'symbolic forms' – signs, images, and metaphors.

Wise people in contemporary organizations have realized that management is a system of symbolic actions, and applying knowledge to knowledge is the fundamental leverage of success. This idea has a strong support in the light of Karl Roger Popper's three worlds of the Universe division: world 1 – physical bodies, actual truth and reality; world 2 – mental, psychological world of personal perceptions, experiences, and cognition; world 3 – objective knowledge, world of objective abstract products of the human mind, world of symbols<sup>23</sup>. World 3 is the only way for one to 'objectively' interpret the shadows in Plato's allegoric cave, as world 2 perceptions are too much personal, world 2 is an individual mental model, and world 1 is inaccessible as it were. In organizations these three worlds are reflected as the following: world 1 – real organizational context and processes, world 2 – perceptions and

<sup>23</sup> Popper K. R., Eccles J. C. The Self and Its Brain. An Argument for Interactionism. Springer-Verlag. 1977.

attitudes which we study in organizational behavior as important mechanisms of forming patterns of working relations, and world 3 – symbolic production: planning tools, codes, models, project management, networks, teams, brands, strategies.

Inhabitants of world 3—symbols display the mechanism of symbolic management outside the organization, and in correlation inside. Human symbolic activity in world 3 is the only effective way of managing a contemporary organization. As a business leader once changed the company through changing symbol of status accepted in it: he suggested the 360-degree feedback system, where every worker of the company received feedback on his/her job, and he as a senior vice-president as well. It was not an easy decision, although it became crucial in dramatic changing symbolic framework of organizational culture, as sharing realistic and honest feedback with your 'boss' is a changing perspective on the power pyramid and conventional management in organization <sup>24</sup>. Symbol as a social and cultural mechanism regulates, determines, and finally displays changes in and out organizations.

Symbol is a cross point of spiritual human relations, symbol is a cross point of social interactions, symbol is a mechanism how world 2 looking at world 1 transforms this knowledge into world 3, which is the only 'real' foundation for managing contemporary organizations effectively. Effective leader in the New Wave society is a *manus symbolicus* using three significant tools of symbolic management: mobilities, creativities and symbolizing activities.

### References:

1. Cassirer E. The Philosophy of symbolic forms, Volume 1: Language. – New Haven&London. – «Yale University press». – 1955.

- 2. Daft R. L. The Leadership Experience. «Thomson Higher Education». 2005.
- 3. Deming W.E. The new economics. For industry, government, education. Cambridge, Massachusetts. 1994.

<sup>24</sup> Daft R. L. The Leadership Experience. «Thomson Higher Education». 2005.

\_

- 4. Drucker P. Post-capitalist society. New York. «HarperCollins». 1993. pp. 19-47.
- 5. Fayol H. Industrial and general administration. Paris. «Dunod». 1916.
- 6. M.P. Follett. Early Sociology of management and organizations: Dynamic administration: The collected papers of Mary Parker Follett. «Routledge». 2003.
- 7. Pfeffer J. Management as symbolic action: The creation and maintenance of organizational paradigms. L.L.Cummings&B.M.Staw (Eds.), Research in organizational behavior. Vol. 3. «Greenwich, CT: JAI». 1981. pp. 1-52.
- 8. Plato. Republic. Book VII. 514a-c 521 a-e. Online. Access mode: http://www.math.nus.edu.sg/~matlmc/Allegory\_cave.pdf.
- 9. Popper K. R., Eccles J. C. The Self and Its Brain. An Argument for Interactionism. Springer-Verlag. 1977.
- 10. Popper K.R. Three Worlds. The Tanner Lecture on Human Values Delivered at The University of Michigan. April 7, 1978. Online. Access mode: tannerlectures.utah.edu > lectures...popper80.pdf.
- 11. Schein E.H. Organizational culture and leadership. 3<sup>rd</sup> edition. San Francisco. «Jossey-Bass. A Wiley Imprint». 2004.
- 12. Smith A. An Inquiry into the Nature and Causes of the Wealth of Nations. Chicago. «The University of Chicago Press». 1976.
- 13. Taylor F.W. Principles of scientific management. New York. «Harper». 1911.
- 14. Toffler A. The Third Wave. «Bantam Books». 1980.

# SYMBOL AS A SOCIAL MECHANISM OF CULTURAL CHANGES IN AND OUT ORGANIZATIONS

by Dina Aslamazishvili, 2012

Culture is only a paper-thin veneer covering white-hot chaos.

F. Nietzsche

Culture constitutes all domains of human life, intervening and penetrating major aspects of social sphere. It seems almost obvious that culture determines most of basic programs of human activity, behavior and communication. Culture sets intangible guidelines for development and managing "know-how" effectively. Culture, by Edward T. Hall, is "man's medium: there is not

one aspect of human life that is not touched by culture" [Hall, 1989, pp. 16-17]. The scientist means personality, how people express themselves, the way they think, how they move, how problems are solved, how transportation systems are organized, and finally how economic and government systems are put together and function. Edward T. Hall underlines the major aspect or function of culture as influencing human behavior dramatically [Ibid.].

All these sides of culture as human medium are based on spiritual processes, which are displayed in behavior, as deciding by intuition, determining in- and out-group by values, sharing codes, perceiving the world around and forming attitudes about people, organizations, jobs, etc. Spiritual processes, as a matter of fact, assure ordering of human mind on the basis of historically accumulated social experience including the experience of symbolization. Culture translates this experience, stores it and passes from one generation to another in succession, symbolizing development and new programs of activity, behavior and communication. Culture is not only covering the chaos, it reflects, transforms and displays it in our social medium through interactions, images, languages, signs, and as most significant in symbols. Symbol is a two-folded social mechanism consisting of forming hidden level of culture and simultaneously reflecting the intangibles of cultural programming. Culture is transformable and transmittable only because of symbols, which gives it additional flexibility in creation, perception and changing. Social philosophy underlines the dramatic difference of homo symbolicus in abilities to heuristic symbolic, i.e. abstract and metaphoric thinking. Famous Plato's cave allegory proves that. Grotesque shadows we are thinking in fill our world outlook, forming mental models. Values, attitudes, norms and behaviors are no more than shadows on the wall of a prison. However, to be released from that prison, one goes by symbols to the highest truths, or to the world of Plato's Ideas. Symbol is a mechanism for releasing, for opening new horizons, and for deepening shared values in cultures to distinguish and differentiate. Symbol is two-folded, and converging culture, strengthening it and allowing for self-displaying.

Western thinking tradition presents arguments and counterarguments in logic, Confucian way is looking for symbols and through them reduce argumentation to see the Truth. Like in a famous story about the elephant and how wise men in a dark room tried to describe this animal. One presented it as a snake, another one as a tree, etc.; and together they couldn't present a rounded picture and never agreed. Argumentation is the reason for thinking, but these arguments are obstacles for understanding and changing, they are no more than the truth. Culture transforms arguments into symbols, as in culture we speak the language of symbolic. Significant part of data, information, and knowledge is reflected in "symbolic forms" – signs, images, and metaphors. Social philosophy itself is a set of these forms, looking for the deepest symbol of the Truth.

Symbol is defined as an intuitive spiritual element displayed by means of signs, images, and metaphors that give shape to symbolic reality. People learn and constitute culture through symbols; do organizations learn cultures as well? Organization is a social unit, and as such learns, transmits and develops culture. Organizational culture is a powerful element that defines people's life in their workplaces.

Organizational culture is like some sort of social glue, sticking all elements together around the main shared values. Symbols as intuitive spiritual elements make this glue stronger or weaker, directing its aligning with strategies and managerial philosophy. Brands, marks, names, strategies, management systems, security and control, teams and power distribution do not exist in organizations without being transmitted in the form of images, metaphors, and signs. Humankind recalling symbols as elements of spiritual intangible sphere seizes its place in an uncertain world, in some sense these symbolic forms make certain of human existence, give direction to understand and strategically plan conditions of development and change. The triad "Human-Culture-Symbol" in their interaction sets the integrated picture of the world of human beings in different changing systems, forming a symbolic sphere. Business, organization, organizational culture establish specific changing symbolic systems. Organizations are not walls, tables, technologies or even profit, organizations are people; and

people are not just organisms with cognitive abilities, they are reflecting elements of the organization system, they constitute all deep intangibles: relationships, communication, behavior, attitudes, perspectives, etc. These intangibles form all other processes directions, they lead and guide towards decisions, and finally towards forming organizational framework. Symbol is a powerful leverage in and out organizations. From outside – cultural differences, global trends, political changes influence, from inside – personalities, relations, communication channels and linkages.

Symbol in theory consists of two domains: zero structure and prime sense. Indivisible prime sense is a source of arranging and regulating energy; zero structure – a source of chaotic symbolic energy. As two poles they conduct creative exertion with symbolic meaning.

In hard times, as e.g. crises, cultural changes in organizations are unavoidable. External environment represents uncertainty, and within this uncertainty only flexible, changeable, adaptable organizations survive, others perish. Symbol plays a significant role in forming the cultural potential for adaptability in organizations. This concept becomes clearer in the light of K.R.Popper's three worlds of the Universe division: world 1 – physical bodies, actual truth and reality; world 2 – mental, psychological, world of personal perceptions, experiences, and cognition; world 3 – objective knowledge, world of objective abstract products of the human mind, world of symbols [Popper & Eccles, 1977] (see Exhibit 1).

World 3 is the only way for one to express 'objectively' the shadows in the Plato's allegoric cave, as world 2 is too much personal perception, individual mental model, and world 1 is inaccessible. In organizations these three worlds are reflected as the following: world 1 – real organizational context and processes, world 2 – perceptions, attitudes, we study in organizational behavior as important mechanism of forming patterns of working relations, and world 3 – symbolic production: planning tools, codes, models-project management, networks, teams, brands, strategies (see Exhibit 2).

Inhabitants of world 3 – symbols display the mechanism of cultural changes outside the organizations, and in correlation inside. Human symbolic activity in world 3 is the only

effective way of managing changes. If one plans to apply changes effectively, there is a strong need to change organizational culture that means to change the system of symbols inside, following the pattern of changing symbols outside organization. As a business leader once changed culture in the company through changing symbol of status accepted in it: he suggested the 360-degree feedback system, where every worker of the company received feedback on his/her job, and he as a senior vice-president as well. It was not an easy decision, although it became crucial in changing symbolic framework of organizational culture, as sharing realistic and honest feedback with your "boss" is a changing perspective on the power pyramid and conventional management in organizations [Daft, 2005].

The symbol of high position power status with privilege of no criticism and constructive feedback in one day became neglected, and was changed into its opposition. This is an example of tangible actions and how they are displayed in symbolic framework of organizational cultures. Symbol as a social mechanism regulates, defines, and finally displays cultural changes in and out organizations. Change cannot be fulfilled without chaotic energy of symbol from one side, and without organizing power of zero symbolic structures from another.

Culture is a symbolic sphere which components dynamics determines culture transitions [Aslamazishvili, 2007]. Symbolic forms (signs, metaphors, images) interplay as transmitters of transition cultural processes, i.e. cultural changes. Of three T-dimensions of cultural changes as transformability, transparency and transcendence [Ibid.] transformability in the best way presents symbol as a social and spiritual mechanism of cultural changes.

Cultures and organizational cultures can be defined and distinguished by the parameter of "transformability", i.e. ability of a culture's symbolic system to change or vary in social space and time. This parameter is connected with immanent ability of symbolic to be modifier through sign systems (models, strategies, managerial communication) of significant changes. So that people acquire a new perception of cultural phenomena and introduce novelties. Potential to become learning organization, and moreover the innovative potential of organizations directly depend on the transformability.

Introducing teams as a horizontal linkage in contemporary companies, empowerment, job satisfaction and organizational commitment are all new symbols for learning organization with transformable culture. More and more organizations try to set a flexible and strong system of signs (e.g. artifacts and specific languages), images (e.g. logos and slogans), and metaphors (e.g. organizational stories) to form an intangible and spiritual system of symbols. These symbols are later transmitted as a social mechanism, determining major aspects of life in and out organizations, including cultural changes.

Symbol is a cross point of spiritual human relations, symbol is a cross point of social interactions, symbol is a mechanism how world 2 looking at world 1 transforms this knowledge into world 3, which is the only 'real' foundation for managing cultural changes in and out organizations effectively.

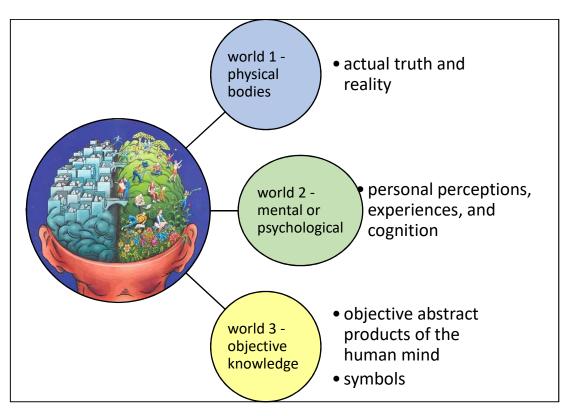


Exhibit 1. Karl Popper, Three Worlds of Knowledge

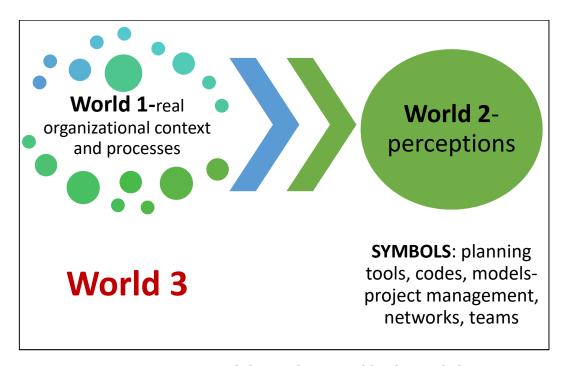


Exhibit 2. Three Worlds of Knowledge in Organizations

### References:

- Aslamazishvili D. N. Role of symbol in spiritual processes of cultural transitions.
   Krasnoyarsk, 2007, in Russian.
- 2. Daft R. L. The Leadership Experience. Thomson Higher Education, 2005.
- 3. Hall E. T. Beyond Culture, Anchor Books USA, 1989.
- 4. Nietzsche F. Thus spoke Zarathustra / Nietzsche's Best 8 Books / F. Nietzsche (Editor: Bill Chapko). 2010. Access mode: www.scribd.com/doc/31441555/F-Nietzsche-Nietzsche-s-Best-8-Books.
- 5. Popper K. R., Eccles J. C. The Self and Its Brain. An Argument for Interactionism. Springer-Verlag, 1977.
- 6. Popper K.R. Three Worlds. The Tanner Lecture on Human Values Delivered at The University of Michigan. April 7, 1978. Access mode: tannerlectures.utah.edu > lectures...popper80.pdf

## **MARKETING**



## THE ROLE OF MARKETING IN GLOBAL AND LOCAL APPAREL

**INDUSTRY** 

by Eka Nadareishvili

"Marketing is a management process whereby, the resources of the whole organization are utilized to satisfy the needs of selected customer groups in order to achieve the objectives of both parties. Marketing, then, is first and foremost an attitude of mind rather than a series of functional activities" (McDonald, 1989, p. 8 cited in & Otubanjo 2013).

As argued by Ries &Trout, (1986 cited in & Otubanjo 2013) "marketing is a totally intellectual war in which you try to outmaneuver your competitors on a battleground that no one has ever seen". This is exactly what is taking place today at the background of changing and rapidly developing environment where competition for survival and thrive is a part of everyday business life. Technological advancement, globalization, deregulation, general strides made within any business have prepared ground for changes in almost any field, global apparel industry turned out to be one of the developing industries sharing the faith of the rest.

Changes in the global apparel industry do represent a market-driven process, triggered by typical strategic marketing management issues, such as: intense competition, the ongoing globalization processes, increased global marketing and sales activities, changing structure of global competitors as well as a fierce struggle for global market shares and customers' loyalty. It won't be a surprise to underline that the basic research and development activities, in effective combination with tailored marketing and sales activities serve as the most important strategic action of the world apparel industry (Kesič & Bertoncelj 2008).

As discussed by Kesič & Bertoncelj (2008) globalization in its core meaning can be viewed as a compound, market-conditioned world process, which is associated and triggered from all the elements of the marketing way of thinking and acting, by rapid modification and modernization of the way business is conducted, along with increasing rivalry and competitiveness, in an attempt to optimally recognize changing needs of the global customers

and obtain the ability to satisfy their long-term needs. At this background one of the key challenges and priorities remains the ability to detect the needs of customers and satisfy them in the long run.

Kotler et al (1999) argues that all companies strive to be successful. There are myriad of factors that directly contribute to making a business successful – smart strategy, dedicated skilled staff, excellent information systems and effective implementation. However, today's flourishing companies tend to have one thing in common – a strong customer-focus and a deep commitment to marketing. Successful companies of the 21st century share an absolute devotion to sensing, serving and satisfying the needs of customers in well-defined target markets. Such companies grant immense importance to the presence of motivated staff within the organization in order to deliver high quality and superior value for their customers, directly leading to high levels of customer satisfaction which serves as a backbone for success, profitability and long stance at the market.

At the background of changing and developing environment creating customer value and satisfaction are at the very heart of modern marketing thinking and practice and marketing itself is the way of delivering customer satisfaction at a profit. Hence, the goal of marketing is to attract new customers by promising superior value, and to keep current customers by delivering satisfaction (Kotler et al 1999 p 28).

The role of marketing increases dramatically and we witness its surging value every day. It is all around us, the abundance of various products saturated with innovative features in order to compete better and satisfy the chosen target group, flashing news on new products through advertisements via different channels of communication and sales pitch from every corner. We are exposed to marketing in almost everything we do. Yet, as noted by Kotler et al (1999. p 29) "there is much more to marketing than meeting the consumer's casual eye. Behind it all is a massive network of people and activities competing for our attention and money".

The marketing of the 21st century is a well elaborated concept, which must have an important place in minds of general managers, since offered product / services aim towards creating a synergy of excellent product meeting the market needs and customer satisfaction. So far the product offered by Georgia's apparel manufacturers is cut, make & trim service which fails to reflect the view pointed out by Dumitrescu & Fuciu (2010 pp 23-24) that "in the field of services, the marketing concept, in its most advanced form – client orientation – is incorporated in providing activities, which are in an interdependency relationship. The finality of these actions is given by the fundamental objective of every service providing unit: maximizing the profit, in the conditions of satisfying and surpassing the consumers / users expectations by quality, services and value".

Global apparel industry has undergone tremendous changes in the last few years. The key industry players found the immediate adjustment to market trends and market demands unavoidable. In light of strong competition and rapidly changing environment understanding the market becomes more complicated, where the common sense or study often fails to be enough to find the right answer to the question on what are the key inputs of a successful marketing strategy. At this background the retention and growth of loyal customers serves as a sound foundation for further success.

With rising competition the phenomena called - global market, forces the domestic industries of each country to find more sustainable sources of competitive advantage. Today the heart of every business lies in strong market orientation. Hunt and Morgan (1999 cited in Qi, Wang, & Zhang 2010) view that market orientation is a vital source of creating a competitive advantage in any business. In addition, Narver & Slater (1990 cited in Qi, Wang, & Zhang 2010) refers to marketing orientation as an organizational culture that helps businesses to create and exceed values for customers.

Georgia's apparel factories face the need to understand the demands of changing global apparel market where rising competition forces textile and garment manufacturers to meet demanding

customers' needs, lower production costs, increase production efficiency and to create leaner value-adding processes. Coping with these changes implies the presence of a strong internal and external marketing to create a continuous supply—demand network. Constant communication with potential and actual clients is a source of gaining knowledge from customers that is later applied for customers. Most knowledge used in the apparel and fashion industry for developing products is recognized as explicit knowledge. It facilitates the generation of new revenues with the existing knowledge in the organization (Mocenco, Oiaru & Popescu 2013).

Multiple literatures support the idea that customer is a critical ally for any smart strategy within any organization. For that reason creating customer value, strong customer focus and the satisfaction of customers is the only key to succeed in business. It is also the accountability of the top management not only to make people achieve, but also improve/enhance this level of satisfaction with the key focus on constant quality improvement (Kulkarni 2013).

Market orientation and accurately elaborated marketing mix in today's business can be reckoned as the soundest sources for sustainability and long stance in the market. As argued by Yusefi (2008 cited in Kazemi et al 2013) marketing mix of services implies a consistent and systemic attitude among its elements with the aim to be effective on customers' persuasiveness. In other words, an appropriate product is available for customers with an opposite price using desirable communicative and promotional techniques. Such attitude tends to develop customer preference for a particular product that represents a competitive advantage for an organization.

Marketing today represents an essential factor to the prosperity of all organizations around the world. The marketing strategies involve obtaining new customers, branding, and influencing performance. The reason behind all of these tactics is to encourage sales (Katoz, 2008).

As noted by Osman & Hasoneh (p 52013) the speed of changes today is far more higher compared to what marketers have been used to. Many have failed to adjust immediately to

new changes and hence faced a decline in gaining customer lifetime value. The intensity of rivalry amongst all international players will likely remain on rising trend posing question whether having solely competitive advantage be enough for continued existence. Companies willing to survive and sustain growth face the need to integrate the proactively in all sub functions of marketing that covers marketing management, advertising and sales promotion, market research, new product development, market logistics, customer service, trade development and customer relationship management. In light of changing and developing environment global competition in all industries is likely to cover wider section of the marketing function, where the success lie in the effective network of relationships with the pivotal focus on customer lifetime value management.

### References:

Dumitrescu, L. & Fuciu, M. 2010. "The Role of Database Marketing in the Operationalization of the Services Relationship Marketing ", *Management & Marketing*, (8) 1, pp 23-24, [Online]. Available at: <a href="http://www.mnmk.ro/documents/2010/2DumitrescuFFF.pdf">http://www.mnmk.ro/documents/2010/2DumitrescuFFF.pdf</a> [Accessed 28.11. 2013].

Iyamabo, J. & Otubanjo. O. 2013. "A Three-Component Definition of Strategic Marketing," *International Journal of Marketing Studies*, (5) 1, p 18, [Online]. Available at: <a href="http://www.ccsenet.org/journal/index.php/ijms/article/view/23908/15149">http://www.ccsenet.org/journal/index.php/ijms/article/view/23908/15149</a> [Accessed 29.11. 2013].

Kulkarni, G. 2013. "Case of Successful Evolution of Strategy to Create a Sustainable Business Organization: Managerial Implications and Challenges", *International Journal of Business and Management*, (8)5, p 79, [Online]. Available at: <a href="http://www.ccsenet.org/journal/index.php/ijbm/article/view/24997/15581">http://www.ccsenet.org/journal/index.php/ijbm/article/view/24997/15581</a> [Accessed 29.11. 2013].

Kesic, D & Bertoncelj, A. 2008. Importance of Marketing Management in the World Pharmaceutical Industry, *Tržište/Market*, (20)1, pp 1-7, [Online]. Available at: <a href="http://www.doaj.org/doaj?func=search&page=4&template=&query=the%20role%20of%20ma">http://www.doaj.org/doaj?func=search&page=4&template=&query=the%20role%20of%20ma</a> rketing&currentYear=2013&uiLanguage=en [Accessed 28.11. 2013].

Kazemi, et al. 2013. "Studying the Impact of Services Marketing Mix on Preferring a Brand by Customers Case Study: Selected Branches of Mellat Bank in Isfahan Province", *International Journal of Academic Research in Business and Social Sciences,* (03) 04, p 2, [Online]. Available at: <a href="http://www.hrmars.com/admin/pics/1726.pdf">http://www.hrmars.com/admin/pics/1726.pdf</a> [Accessed 29.11. 2013]. Mocenco, A. Olaru.S & Popescu, G. 2013, Extensive Knowledge In Fashion Trends for Spring/Summer 2013. *Annals of the University of Oradea. Fascicle of Textiles, Leatherwork*, (15) 1, pp 26-29, [Online]. Available at: <a href="http://textile.webhost.uoradea.ro/Annals/Volume%20XIV-%20Nr1-2013.pdf">http://textile.webhost.uoradea.ro/Annals/Volume%20XIV-%20Nr1-2013.pdf</a> [Accessed 28.11. 2013].

Osman, E. & Hasoneh, A. 2013. "The Role of Organizational Marketing in the New Millennium", *International Journal of Academic Research in Business and Social Sciences*, (3) 7 pp 1-6 , [Online]. Available at: <a href="http://hrmars.com/hrmars.papers/The Role of Organizational Marketing in the New Millennium.pdf">http://hrmars.com/hrmars.papers/The Role of Organizational Marketing in the New Millennium.pdf</a> [Accessed 29.11. 2013].

QI, L. Wang, K & Zhang, F. 2010."Research on the Relationship Among Market Orientation, Customer Relationship Management, Customer Knowledge Management and Business Performance", *Management Science and Engineering*, (2) 1, pp 2-3, [Online]. Available at: <a href="http://cscanada.net/index.php/mse/article/view/j.mse.1913035X20080201.004/903">http://cscanada.net/index.php/mse/article/view/j.mse.1913035X20080201.004/903</a> [Accessed 28.11. 2013].

### **Books**

Kotler, P. Armstrong, G. Saunders, J & Wong, V. 1999. "Principles of Marketing" 2nd European Edition, Prentice Hall Europe, Europe, pp 28 -29

### Websites

Katoz, 2008, "Marketing: The Importance of Marketing in Organizational Success", [Online].

Available at: <a href="http://www.studymode.com/essays/Marketing-The-Importance-Of-">http://www.studymode.com/essays/Marketing-The-Importance-Of-</a>

Marketing-In-152007.html [Accessed 29.11. 2013].

### POST-SOVIET GEORGIAN APPAREL SECTOR OVERVIEW

by Eka Nadareishvili

Georgia boasts a rich history in apparel production dating back to old Soviet Times, when local factories specialized not only in quality garment production but also raw material production such as silk and wool. The sector was one of the key contributors to the state budget claiming approximately one third of generated income.

Unfortunately, the collapse of the Soviet Union turned out to be disastrous for Georgia, affecting all major industries striving in the country. Once thriving apparel and textile industry have been badly affected and marred with no hope of immediate revival.

Georgia's independence bought in a new hope and new opportunities. Several wealthy and flourishing entrepreneurs dismayed by the fate of Georgia's apparel sector greatly contributed to the gradual revival of once thriving industry and facilitated the engagement of local apparel manufacturers in CMT (Cut Make and Trim) processes.

Recent years have seen apparent growth tendency in post-Soviet Georgia's apparel industry. One of the most labor intensive sectors got huge support from the Government of Georgia (GoG) that provided sound bases for its revival and ongoing development. The liberalization of the economy and creation of business friendly, corruption free environment turned Georgia into one of the most attractive outsourcing and investment destinations for the international market.

Georgia's apparel revival commenced from 2004, when neighboring Turkey revealed a great interest towards Georgia's apparel sector due to favorable environment, competitive labor costs and special trade relationship Georgia exercise with Turkey with the support of the Georgian Government. According to data provided by GNIA (Georgian National Investment Agency) annual apparel production has boosted since 2004 from GEL 8 Million in 2004 to around Gel 40Million in 2010. (Georgian National Investment Agency & Apparel Sector Overview)

Post - Soviet Georgia's Apparel Sector undergoes quite tough time especially at the background of highly competitive and demanding global environment, where efficiency, flexibility, and strict compliance with the international market requirements are the key for survival. Although some factories have been in the market for a long time, they still face challenge mostly reflected in high quality production in a short time and absence of the compliance with the internationally recognized Health, Safety & Environment (HSE) standards claimed from the international buyers and retailers.

Currently, Georgia's apparel factories rely solely on the state order which is limited in quantity and encounters only one style – uniform, for that reason local factories mostly developed great skills for the production of uniforms in relatively small quantities. Reliance only on state orders greatly limits the ability of the local factories to stay long in the market and to further develop skills suitable for the international market.

Concentration strategy taken by most of the local factories is in urgent need of adjustment and change, since it no long will provide source of high revenue and survival. The existing strategy undertaken by local apparel manufacturers lacks sustainability that leaves no clear vision on how to add value to the general strategy. Apparently, dependence only on the local state tenders acquires less importance, especially for those ambitious factories willing to commence operation at the international market. The niche, carved out by most of local manufacturers, has no real potential for growth and especially for profitability. Due to being involved in niche, most factories

lack key skills required by the international buyers and retailers, such as speed performance in high quantity characterizing for mass production.

Factories are willing to deal with export however, prefer first get orders and then adjust themselves to customers' requirements that often deters the successful finalization of a deal. Among many other requirements imposed by the international buyers and brands is the effective practice of Corporate Social Responsibility (CSR) and compliance with established standards. This is a very important trend picked up by many companies, which is incorporated in general business and not a separate project. Georgian apparel factories are aware of the necessity to do so, but the problem is the prioritization

Georgia's apparel industry faces need for rapid change in the most effective way in order to catch the unique opportunity existing in the global and local markets. The only way for survival seems to be the development of skills and capacity to serve the international brands and retailers especially now at the background of weakening outsourcing countries such as China where the recent years have seen significant surge in prices, forcing many brands and retailers to shift to other countries for outsourcing reasons.

Ongoing developments at the global apparel market benefits Georgia and triggers higher interest towards our country. This can be attributed to rising prices in several major sourcing markets due to sharp surge in the costs of labor, energy and raw materials. At the background of growing demand for fast fashion retailers were forced to maintain lower stock. This trend became even more prominent following the global crisis, which resulted into drop in sales and forced retailers to mark down items which they had overstocked. In addition, companies have to manage their environmental footprint though corporate social responsibility programs in response to increasing consumer awareness. As a result of these developments, many brands are still in the process of looking for opportunities to diversify their sourcing partners by sourcing from markets closer to home and sourcing from countries where labor costs are lower. ("Global Apparel Markets", No 16, 4th quarter 2011, p 4)

In order to take the advantage of recent global market developments and in attempt to promote and support our country the Government of Georgia has made great strides in terms of making Georgia as one of the attractive investment and outsourcing destinations for many brands and retailers. According to GNIA information, In 2011 Georgia was widely recognized as an easy place to start a business according to the World Bank report. Georgia was ranked 12th out of 183 countries and is the No. 1 reformer in the region over the past 5 years. (Georgian National Investment Agency).

Currently Georgia's apparel sector counts approximately 200 apparel manufacturing companies, 95% of which are micro-enterprises. The key investors are from Turkey, who first sensed the great opportunity of Georgia and opened several Turkish invested factories in Adjara Region. Today the number of Turkish invested factories reaches 7.

Constant collaboration with the key apparel Turkish invested factories revealed the surging interest towards opening more factories in Georgia due to favorable business climate, competitive prices, proximity and special relationship that Georgia and Turkey exercise with full Government support. Currently well-known brands producing in Georgia are Tommy Hilfiger, Marks & Spencer, Mexx, Koton, Puma, George, Miss Etam, Lotto, Per Una, Lebek, Zara, Autograph, Hawes & Curtis and etc. More brads reveal interest in commencing operations in Georgia. (*Georgian National Investment Agency – Invest in Georgia*)

Our country faces great opportunities due to good potential for growth in the apparel sector in beneficial combination with the ongoing changes in global apparel industry. Georgia needs to create sustainable advantage, by focusing on immediate advancement of skilled labor capable of performing up to required standards both in terms of quality, quantity and shorter time on account of increased productivity. Dynamic emphasis on increasing the efficiency and active promotion of benefits offered by Georgia will provide unique platform for turning our country into a key destination for outsourcing and investment.

### Abbreviations

**CTM** – Cut, Make & Trim

**CSR** – Corporate Social Responsibility

**GNIA**- Georgian National Investment Agency

GoG -Government of Georgia

**HSE** – Health, Safety & Environment

### References:

- 1. Georgian National Investment Agency (GNIA) p 6 & Apparel Sector Overview p 3 GNIA Invest in Georgia p 6.
- 2. Global Apparel Markets", No 16, 4th quarter 2011, p 4.
- 3. Apparel Industry in Georgia USAID- EPI Economic Prosperity Initiative p2.
- 4. Margaret. L Bishop "Apparel Sector Action Plan Overview and strategic recommendations" 2011. p 3.
- 5. Guy Carpenter Apparel Export Promotion & Industrial Training Support, Trip Report 2011.
- 6. Invest in Georgia, Investment proposal, Apparel Industry in the Making in Georgia.
- 7. Guy Carpenter 2011 "Apparel Export Promotion& Industrial Training Support" Trip Report, II Appendices, A Background p 2.

# HOLISTIC MARKETING AND ITS IMPORTANCE TO GEORGIA'S APPAREL SECTOR DEVELOPMENT

by Eka Nadareishvili and Nino Kobaidze

Marketing does represent an evolving and vibrant discipline that cuts across every spectrum of life. This can serve as a justification why modern societies are getting more engaged in one

form of marketing activity or the other. The latest advancement in technology has greatly contributed to a free flow of modern goods and services as well as information amid businesses and institutions, thereby turning the marketing environment into a global village (Ewah 2007 cited in Ewah & Ekeng 2009).

Marketing of the 21st century is distinct by its relationship orientation. With no shift in its essence, marketing is redirecting its efforts of increasing organizational performance through the development of long-term relationships with all important parties such as suppliers, customers and other stakeholders (Nikolae *et.al* 2009).

One of the latest directions in modern science of marketing is the notion of holistic marketing which emphasizes the importance of interaction with the public. Public today covers a broad range and encompasses all related parties that facilitate the effective implementation of business. Elaboration and implementation of holistic marketing is directly linked to unique opportunities offered by developing high technology and customer relationships management system (Krikovcev 2011). As a result today companies have a chance to constantly remain in touch with the target group, and with gained information develop and maintain numerous perspectives.

To remain competitive in rapidly developing environment companies need to adjust to new requirements that consider not only maintenance of required skills but the development of new mindsets and attitude with the focus on the importance of marketing principles which serve as basis for success and stipulates the long term existence. The basic marketing principles paved the way for evolving a holistic marketing as a way to better contribute to business goals achievement. In holistic marketing all relevant marketing activities starting from product development to sales are viewed as a unity essential for achieving focus.

Holistic marketing concept views marketing as a complex activity with the acknowledgement that everything matters and attempts to develop and sustain numerous perspectives on the company's commercial activities. Holistic marketing underlines the importance of integrated perspective in order to design and implement an effective marketing. Hence, the key strength of holistic approach is reflected into its broad perspective leaving more room for flexibility and ability to look at challenges and opportunities from various positions (Business Dictionary).

Today Georgia's apparel industry is in desperate need of holistic marketing. Mawson (2013) recognizes the following benefits of the holistic marketing approach: better achieved focus & direction, happy and satisfied customers, attraction of new business, more professional image, source of differentiation from competitors, growing awareness of business, creation of the right environment for success and motivational support. Georgia's apparel industry does need all these benefits associated with the holistic marketing in order to turn into a successful industry capable of competing with the global competitors.

Koler and Keller (2006 cited in Nigam 2013) noted that there are several components of holistic marketing such as: 1 Relationship Marketing – which brings together customer service, quality and marketing, 2 Integrated Marketing – to deliver value to customers, 3 Internal Marketing – appropriate principles implemented a company, 4 Social Responsible Marketing – ensure social welfare of customers.

Today the most value and benefit stemmed from holistic marketing approach is the long term bond with clients, since success and long stance on the market hinges on ability of businesses to shift their strategy from focusing on product portfolios to focusing on customer portfolios. Holistic marketing approach integrates different mediums interaction with the focal point that instead of multiple planners and groups working independently for the same campaign, a single group can better evaluate all mediums in order to determine the highest return on investment. Hence holistic marketing focuses on the extensive correlation and interrelationship with firms marketing plan, customer service and internet advertising with core customer orientation (Nigam 2013).

Observation of Georgia's apparel manufacturers revealed need for holistic approach to existing challenges which are reflected in poor understanding of target market and inability to meet the international apparel industry need both in terms of quality and quantity. Local apparel manufacturers mostly are engaged in transactional marketing which is being changed to relationship marketing that requires new approach and understanding of business and the importance of long term relationship with the market.

Meeting target groups' demand forces companies to be more engaged in a complex, diversified set of connections not only with beneficiaries but also with the community, surrounding environment, government and legislation that shape holistic orientation of contemporary marketing. Holistic marketing involves development and implementation of effectively combined and correlated marketing programs, processes and measures (Nicolae et.al 2009).

As noted by Chajka (p1. 2013) "holistic marketing requires strong involvement of stakeholders in decision making, decentralization and constant feedback to management, interactivity of all elements of the system recognizing the importance of each element, it is considered as a model of integrated planning, development and implementation of marketing programs, processes and activities with deprivation of rigid centralization".

Opposite to this statement local apparel manufacturers fail to ensure a strong involvement of stakeholders. The underestimation of marketing principles and the absence of strong marketing programs results into weak positioning both at the local and international market, weak understanding of target market and lack of loyalty from customers. The absence of holistic marketing deprives the apparel sector of correlated marketing programs and of streamlined marketing channels to ensure dissemination of clear and consistent message to target group. Local apparel manufacturers need to start understudying the importance of holistic marketing approach and the value of integrating all related activities into every day working process, since survival in light of harsh competitions from low cost countries largely depends on flexibility and commitment to target group requirements.

There is an apparent need for the local apparel industry representatives to understand and comprehend a holistic concept of marketing as basis of integrated interactions with client firms. This largely poses a need on local factories for designing or changing marketing strategies in order to make them more efficient and consistent with the modern developments. Initially, it requires the better understanding of general marketing principles and implementation of the following relevant activities such as: the growth of marketing science, the growth of holistic marketing, the rise of partner relationship marketing and customer relationship marketing, determination of new points of differentiation and positioning on the base of consumption chain analysis, creation of customer-centered brand management and a market-driven organization supported by successful change program (Beba & Mira 2007).

Holistic marketing is considered as an integrated marketing approach with the focal point of amalgamating all aspects of marketing and marketing strategies. It envisages the holistic view of all internal processes and often involves a broader view of the circumstances and the long-term goals of a company. With the smart holistic marketing approach local apparel manufacturer will be given a chance to create healthy environment within the factories, establish effective communication between the various teams and thus eliminate the lack of contact which often results into product failure. It will facilitate the implementation of expansion strategy on account of keeping satisfied and loyal customers. While being at the current slow revival path local apparel industry key players face an urgent need to fathom the value of holistic marketing and view it as a part of essential step that serves as a bridge between the current and desired state.

#### References:

1. Beba, R. & Mira, R. 2007, "The Positioning of Serbia", *Zbornik Matice Srpske za Drustvene Nauke*, (2007) 123, p 123, [Online]. Available at: <a href="http://www.doiserbia.nb.rs/img/doi/0352-5732/2007/0352-57320723123R.pdf">http://www.doiserbia.nb.rs/img/doi/0352-5732/2007/0352-57320723123R.pdf</a> [Accessed 11.16. 2013].

- 2. Chajka, P. 2013. "Holistic Marketing and its Importance in The Functioning of Universities", *Marketing's Menedžment Innovacij*, (4),3, pp 53-54, [Online]. Available at: <a href="http://mmi.fem.sumdu.edu.ua/sites/default/files/mmi2013">http://mmi.fem.sumdu.edu.ua/sites/default/files/mmi2013</a> 3 53 60.pdf [Accessed 11.16. 2013].
- 3. Ewah, S & Ekeng, A. 2009 "Problems and Prospects of Marketing in Developing Economies: The Nigerian Experience, *International Journal of Business and Management*, (4) 9, p 187, [Online]. Available at: <a href="http://www.ccsenet.org/journal/index.php/ijbm/article/view/3788/3399">http://www.ccsenet.org/journal/index.php/ijbm/article/view/3788/3399</a> [Accessed 11.16. 2013].
- 4. Nicolae. A. Loan F. Florin, M & Liyiu.P. 2009. "A Holistic Approach in Relationship Marketing in Launching Luxury New Product", *Annals of the University of Oradea : Economic Science*, (4), 1 , pp 808-809, [Online]. Available at: <a href="http://steconomice.uoradea.ro/anale/volume/2009/v4-management-and-marketing/163.pdf">http://steconomice.uoradea.ro/anale/volume/2009/v4-management-and-marketing/163.pdf</a> [Accessed 05.09. 2013].
- 5. Nigam, A. 2011. "Holistic Marketing of Software Products: The New Paradigm", *IJCSMS International Journal of Computer Science & Management Studies,* (11) 01, pp 3-4, [Online]. Available at: <a href="http://www.ijcsms.com/journals/Paper1.pdf">http://www.ijcsms.com/journals/Paper1.pdf</a>, [Accessed 11.16. 2013].
- 6. Krikovtsev, A. 2011. "Holistic Marketing in the Business Interaction Between Enterprises", *Marketing ì Menedžment Innovacij*, (2) 4, pp 85-86, [Online]. Available at: <a href="http://mmi.fem.sumdu.edu.ua/sites/default/files/mmi2011">http://mmi.fem.sumdu.edu.ua/sites/default/files/mmi2011</a> 4 1 85 89.pdf [Accessed 11.16. 2013].

#### Websites

- 7. Business Dictionary, [Online]. Available at: <a href="http://www.businessdictionary.com/definition/holistic-marketing.html#ixzz2lUij16z6">http://www.businessdictionary.com/definition/holistic-marketing.html#ixzz2lUij16z6</a>. [Accessed 11.23. 2013].
- 8. Mawson, H. "Holistic Marketing Background" [Online]. Available at: <a href="http://www.holisticmarketing.org.uk/benefits.html">http://www.holisticmarketing.org.uk/benefits.html</a> [Accessed 11.23. 2013].
- 9. "What is Holistic Marketing ", [Online]. Available at: <a href="http://www.wisegeek.com/what-is-holistic-marketing.htm">http://www.wisegeek.com/what-is-holistic-marketing.htm</a> [Accessed 11.16. 2013].

# AN INVESTIGATION OF MARKETING INTELLIGENCE AS A STRATEGY TO ENHANCE COMPETITIVENESS IN THE APPAREL INDUSTRY

THE CASE STUDY OF TWO APPAREL COMPANIES

IN POST - SOVIET GEORGIA

# **Extract from the Thesis submitted in fulfilment of the requirements** for the degree of Doctor of Philosophy

by Ekaterine Nadareishvili

Cardiff School of Management Cardiff Metropolitan University. Cardiff, UK, 2017.

#### **ABSTRACT**

Growing competition forces companies to develop models to continuously scan for information as a sole way to develop a competitive edge over rivals. In this context, the presence of an effective marketing intelligence model has turned into an imperative driver of competitiveness. The existing marketing intelligence model seems to operate effectively in developed countries. However, it fails to function effectively in developing countries such as Georgia.

Marketing intelligence, as an input to marketing information system, greatly assists in effective marketing decision making (Kotler, 2006). Association between marketing intelligence and competitiveness has been a subject of consideration among scholars (Cavusgil et al. 1993; Lewis, 2006; Lui, 2010; Beard, 2012). However, the relationship between marketing intelligence and competitiveness has not been the focus of an empirical study in the apparel industry of post-Soviet Georgia. The present research aims to fill the gap by observing the relationship between them and investigating marketing intelligence as a strategy to enhance the competitiveness of the apparel industry in post-Soviet Georgia.

The findings of this research resulted in an empirically validated model of best practice which integrates the strategic application of marketing intelligence to enhance the competitiveness of Georgia's apparel industry. The comparative case study resulted in a model that can eliminate the existing information loss in the current model and facilitates the alteration of behaviour that will lead to improvements in industrial practice and enhanced responsiveness to global apparel market needs. The interpretivist approach enabled the researcher to look deeper into the phenomenon, which is composed of human behaviour, knowledge and attitudes. Semi-structured interview data aided in understanding the phenomenon from the participants' viewpoint; the interviews were complemented by related reports to validate the interview data.

As a result of the study, recommendations have been made to industry members, the apparel and footwear association, and the Government. The research coincides with the Government's effort to foster the development of the apparel industry, so it can significantly influence the advancement of the industry and industrial competitive practice.

#### CHAPTER 1 INTRODUCTION

#### 1.1 Introduction

The apparel industry, as a catalyst for national growth and development, is viewed as one of the first manufacturing sectors to emerge in economically developing Georgia. As it is a labour intensive sector, the Government of Georgia is interested in its enhancement, as a way to combat still dominant unemployment. However, the development of Georgia's apparel industry is contingent on flexibility and ability to respond to changing global apparel market needs effectively (World Bank, 2012).

Georgia's apparel companies have equal access to marketing intelligence; however, as noted by Powell & Allgaier (1998), intelligence might fail to deliver value unless appropriately analysed and integrated into a decision-making process. Fleisher (2008) also argued on the value added concept of the rational application of marketing intelligence which could lead to more targeted actions in order to enhance performance. These arguments imply that the competitiveness lies in a firm's ability to strategically utilize marketing intelligence and not only in its ability to access it.

Marketing Intelligence (MI), the phrase coined by Kelley in 1961, immediately attracted much attention among scholars (Chen, 1995; Powell & Allgaier, 1998; Trim & Lee, 2007; Fleisher, 2008; Nwokah, 2012; Nasri, 2012), as a sound tool to enhance information management that provides a unique basis for effective strategic decision-making.

In light of technological developments marketing intelligence as a component of marketing information system is considered to be a great input to effective marketing decision making. (MkIS) Marketing Information System consists of four inputs provided below:

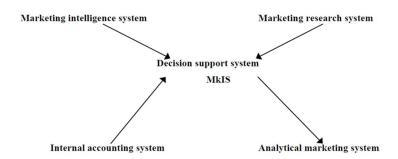


Figure 1. 1 Marketing information system.

Source: Lecture notes (Lancaster, 2007)

The advent of a digital marketing created a need for adopting a more sophisticated MkIS system that helps members of the marketing team make better decisions based on sound marketing research and analytical system. The combination of variables in the MkIS system enables companies to keep track of the marketing environment by obtaining and analysing valuable intelligence for faster decision making and effective response to market needs (Kotler, 2006).

Marketing intelligence has always represented a sound basis for designing a valuable strategic plan. According to Lancaster (2007), even in old times, countries won wars not due to superior military presence but due to effective intelligence processing system. The rational application and processing of intelligence have seen considerable developments due to technological advancement and turned into a valuable input for the survival and successful positioning of a company.

There is evidence of its rising importance in recent research studies. In view of Armstrong (2010) marketing intelligence is a constant collection and assessment of publicly-available information on consumers, competitors and general developments in the marketplace. This aspect has acquired great importance in the light of high tech developments where consumers became more cognizant and demanding. Assessment of marketing intelligence has turned into the basis for success especially for the customer driven apparel industry. Technological advancement has significantly facilitated the improvement of the entire apparel manufacturing processes, like providing access to intelligence, better networking and coordination among the actors of the whole apparel value chain (Carpenter, 2011). In the light of these developments marketing intelligence, as a system for capturing relevant information for rational decision-making, has turned into an essential catalyst for enhancing the competitiveness of industry, since it provides a continuous flow of information on new technologies, markets, customers, and the economic and regulatory environment that might influence a company's position (Nasri, 2012).

However, not all information in a database is publicly available. It requires skills for obtaining and processing the relevant piece of information. Indeed, marketing intelligence is a valuable commodity for creating knowledge and means for being proactive and advantageously positioned within the market however it hinges on the ability to process intelligence, which is missing in Georgia's apparel industry (Presser, 2013).

Despite acknowledged benefits, the existing marketing intelligence model fails to deliver value to post-Soviet, economically developing Georgia's apparel industry, which has a potential to be a thriving fashion and clothing industry. The potential for being successful clothing hub has been identified by the international experts of the USAID (2011), since Georgia enjoys several major benefits relevant for the apparel industry. These benefits are:

competitive labour force and costs, unique location by bordering Turkey, free trade agreement with Turkey and business friendly environment. However, the existing marketing intelligence model does not work in Georgia's apparel industry due to prevailing poor marketing culture and the consequent inability to utilize marketing intelligence strategically (Bishop, 2011; Carpenter 2011).

All scholars have dealt with the benefits and the importance of marketing intelligence in the developed countries with a well-developed marketing background. The strategic use of marketing intelligence has not been a subject of exploration among scholars in relation to the apparel industry of developing countries, with a weak marketing background. The present research aims to investigate why the standard model of marketing intelligence failed to deliver value and enhance the competitiveness of the apparel industry in post-Soviet Georgia. To satisfactorily address this research topic and the research question, it was essential to examine the degree of marketing intelligence presence in Georgia's apparel industry and evaluate its application in local and Turkish factories operating in Georgia.

According to the EPI-USAID (2011) assessment report of Georgia's apparel industry, Turkish factories operating in Georgia perform much better than local factories. This report provided the basis for a comparative case study that looked at the effectiveness of marketing intelligence model in Georgian and Turkish factories operating in Georgia. The researcher evaluated primary data obtained from ten semi-structured face-to-face, individual interviews. The interviews were conducted with the managers/ deputy managers and the line managers of two preselected factories - one Georgian-owned and one local Turkish-owned, with the apparel and footwear association of Georgia, the Government representatives of Georgia and Tbilisi fashion week. The research process has revealed a need for more interviews therefore in addition to official 10 interviews the researcher conducted forty - seven unofficial interviews with the followings: three other factories in Batumi, one factory in Kutaisi, seven factories in Tbilisi, former leader and deputy leader of the USAID project - EPI Georgia, two international experts of USAID, representatives of the vocational educational centre, three other Government representatives, two other members of Tbilisi Fashion week, two other members of the association and three Georgian fashion designers. The interviews were conducted with different groups such as: apparel factories, the Government of Georgia, apparel & footwear association, Tbilisi fashion week, experts from the USAID project and Georgian fashion designers.

Due to researcher's involvement in the apparel sector development, access to all interviewees was ensured. In selecting the sample, the researcher followed non-probabilistic sampling. The selection of one Turkish owned factory was purposeful among the existing four Turkish factories operating in Georgia, which according to the USAID apparel sector assessment (2011),

represents one of the biggest and the most successful Turkish owned factories where most of the international brands outsource. On the other hand, the selection of Georgian factory from the existing 10 factories was based on the following criteria: flexibility, innovative character, and size.

The comparison of these factories aided in identifying the major challenges and designing a new model of practice that can be used by Georgian apparel manufacturers. Due to researcher's high involvement in the apparel sector, access to potential interviewees was ensured prior to commencement of the research.

The present research covered three years' data from 2011 to 2013. This is the period when the researcher became involved in the first Government of Georgia (GoG) initiative to prepare grounds for the more competitive apparel industry. During this period, the USAID project was launched with the apparel industry identified as one of the focal areas of concern. Hence, the researcher was engaged in the preparation of assessment reports and studies of the industry with the international apparel industry experts.

Due to the interpretivist philosophy chosen for the present research qualitative data was collected to address the research question. However, descriptive quantitative data was also collected. Through analysis of collected data, the researcher identified the weaknesses in the functioning of the existing model and obtained a conceptual understanding of the phenomenon, revealing a flawed functioning of the existing marketing intelligence model in post-Soviet Georgian apparel industry. The primary qualitative data collected was subject to thematic analysis, as one of the most applied methods for analysing qualitative data. By analysing the obtained data and reference to the developed conceptual framework, the researcher created six themes that helped to go deeper into the sources of the problems in the existing marketing intelligence model. The quantitative data obtained was analysed through ratio analysis. It aided in evaluating the operating and financial performance for the factories, such as their efficiency and profitability. Ratios were applied to compare Georgian factory's performance with the Turkish factory.

# 1.2 Research background

Ahmad (2010) noted that the environment in which companies had to perform was frequently characterized by constantly unpredictable change. The importance of analysing the external environment arises from the crucial role it has on the competitiveness, growth and profitability of a company. In that regard, scholars (Meunier-FitzHugh & Piercy 2006; Nasri, 2012; Mikulski & Mikulski, 2012) argued that marketing intelligence, as a system for capturing information from the external environment, greatly facilitates rational decision-making process and the consequent enhancement of competitiveness of a company.

Competitiveness in the economic climate of the 21st century requires tools for improved understanding of the changing competitive environment. Companies usually have access to marketing intelligence; however, competitiveness lies not only in the presence of intelligence but in a timely identification of relevant part that can be used for building data platform and ensuring adequate response. "Successful use of competitive marketing intelligence often requires information technology in the form of competitive intelligence tools to aid the marketing manager in filtering and sifting through the volumes of available information" (Chen, 1995 cited in Heinrichs & Lim, 2008, p. 62).

A story by academic researcher Lui (2010) emphasizes that the future competitiveness of manufacturing operations, in a dynamic and extremely complex business environment, hinge on forward-thinking strategies based on sound intelligence. The global manufacturing industry has witnessed a remarkable modification as a result of high-technological developments. Therefore, future of the apparel industry is contingent on efficient strategies with a strong foundation of relevant marketing intelligence.

Despite recognized benefits, the existing marketing intelligence model fails to deliver value in Georgia's apparel industry, partly due to prevailing poor marketing culture and the resultant inability to utilize marketing intelligence strategically. Georgian apparel companies have access to intelligence; however, due to the absence of a marketing team, factories fail to timely identify a relevant piece of information and disseminate it effectively, which itself requires adequate analysis and integration into a decision-making process (Powell & Allgaier, 1998).

The strategic application of marketing intelligence has never been the topic of investigation among scholars in relation to apparel industry of developing countries. The present research aims to explore why the standard model of marketing intelligence failed to deliver value in Georgia's apparel industry. Through collaboration and a closer look at Georgian and Turkish factories operating in Georgia, the researcher was able to identify major weaknesses inherent within the existing marketing intelligence model. The research resulted in developing a new model of marketing intelligence practice that would be efficient for developing countries. Developing countries such as Georgia, trying to become a part of the global apparel value chain, need to reconsider capabilities and introduce relevant changes at all stages of the production process in order to compete effectively (Cattaneo et al. 2010).

The researcher has been collaborating with Georgian apparel factories, Turkish factories operating in Georgia, the Government of Georgia and the apparel and footwear association of Georgia from 2010 to 2014 through the USAID project. The project was funded by the US Government in support of Georgia's apparel industry development, which remains a high priority sector for the Government of Georgia because it is a large employer. In the absence of

the apparel industry experts in Georgia, the researcher had the opportunity to work with the international apparel industry experts and acquire adequate experience. Therefore, the gained knowledge of the industry, access to information and already established trust and good relationship with local apparel industry representatives, greatly aided the research process.

The USAID project made an assessment of Georgia's apparel industry in 2011 highlighting several weaknesses. Among the identified weaknesses were several factors considered in the present research such as: the weak marketing culture and the shortage of required skills. Therefore, this study can be considered as an extension and further exploration of work already undertaken which has not signified the importance of post-Soviet developing environment and still dominant post-Soviet mind-set.

The present research looked at three years' data from 2011-2013. The findings of the research have provided valuable input to propose a new model of practice, focusing on an improved understanding of the marketing intelligence theory and the impact of its rational application to the competitiveness of post-Soviet Georgia's apparel industry. The new model considers marketing intelligence as a key strategic tool to foster the performance and competitiveness of Georgia's apparel industry.

# 1.3 The importance of the research

Mounting competition and globalization pose the urgent need for quick response and competitiveness of business processes, products and services, which calls for accurate understanding of market requirements. As noted by Igbaekemen (2014), the marketing environment is changing at an accelerating rate, therefore need for precise intelligence has never been more critical. The shifts are dramatic, from local to global marketing, from buyers' needs to buyers' wants, from price to non-price competition. In this realm, companies face pressure for much better environmental scanning for effective strategic decisions aimed at enhancing competitiveness and strong positioning.

The volume of data generated daily in organizations requires the application of tools capable of creating knowledge from stored data in order to use it proactively. Proactive action has turned into an essential element, achieved by having constantly updated information on market developments, which is subject to immediate processing in order to provide the platform for increased competitiveness (Guarda et al. 2012). Today, competing companies use intelligence to better interpret what is happening in the global market to develop new and more effective forms of data analysis and interpretation.

Trainor et al. (2013) highlight the importance of strong marketing intelligence that helps companies increase awareness on relevant markets and accurately utilize market knowledge that serves as an important enabler of a company's new product development capability. The

local apparel industry representatives in Georgia lack the basic understanding of the value of marketing intelligence and its rational application in the light of a growing and competitive global apparel industry. Improved understanding of the value linked to marketing intelligence and market orientation can facilitate the development of Georgia's once thriving apparel sector and make it into a major garment producing destination (GNIA, 2011).

The apparel industry is one of the oldest industries in Georgia. Despite its inherent strengths, including the unique location by bordering Turkey which reduces the transportation time and provides low-cost labour and favourable business conditions that are relevant inputs for the apparel, it suffers from a significant competitiveness gap. The competitiveness gap refers to a low level of competitiveness and inability of the industry to compete with other low-cost countries despite the available input (GNIA, 2011). Georgia's apparel industry assessment by the EPI-USAID (2011) identified several key inputs to the competitiveness gap such as: the poor presence of marketing culture, low efficiency of workers and the consequent low responsiveness to global market requirements. The researcher has examined these and other factors in the context of post-Soviet Georgia's apparel industry. Therefore, this study can be viewed as an extension and further exploration of work already undertaken by others, which has not signified the importance of post-Soviet developing environment and still dominant post-Soviet mindset.

The reason for selecting this sector was deliberate. In the light of still dominant high unemployment level, the development of labour-intensive industry is of high importance to the Government of Georgia. The research coincides with the Government's effort to advance the growth of the apparel industry therefore it can significantly influence the development of the industry. The Government of Georgia, the Ministry of Economy of Georgia and Georgia's apparel and footwear association are all interested with the research findings, which would have a significant impact on manufacturing practice.

The research aimed to develop a new model of practice integrating the rational application of marketing intelligence into a strategic decision-making process to enhance the competitiveness of post-Soviet Georgia's apparel industry. The resultant model of practice can aid Georgia's apparel industry in creating awareness on the value of marketing intelligence and its rational application. Such an approach can aid the industry representatives to become cognizant of the global market requirements and hence, design a strategy to fit the changing global apparel industry.

The research focused on the existing standard marketing intelligence model, which contains flaws and remains ineffective in post-Soviet Georgia's apparel industry. The existing flawed model has not been a subject of criticism and evaluation among scholars in relation to the

apparel industry. Therefore, the present research has contributed to closing the research gap by seeking to understand the limitations of the model that still prevent the delivery of value in post-Soviet Georgia's apparel industry. The value of the rational application of marketing intelligence is generally reflected in efficient networking and the higher responsiveness to changing market needs, as well as in more insightful market-based actions that lead to competitiveness (Fleisher, 2008; Öztürk et al. 2012).

In addition, the developed model is characterized by a high level of applicability. Applicability refers to a degree to which the findings can be applied to different contexts and groups. It is an ability to generalize from the findings to a larger population, by using the strategy of transferability (Klopper, 2008). The present research can be regarded as having a high degree of applicability. It can be applied by other factories and manufacturing industries within post-Soviet Georgia, which is still suffering from the low level of competitiveness which in the context of tough competition leads to failure. However, application of the delivered model in other factories and other industries can be appropriate only with the consideration of particular nature of each factory and industry. By considering general weak marketing background and consequent poor application of marketing tools, the research results can be used and generalized to a larger population in view of characterising features of each industry and following a tailored approach.

The research delivered a set of propositions underlying the value of the rational application of marketing intelligence in post-Soviet Georgia's apparel industry. Most importantly the research delivered the model of best practice which integrates the strategic application of marketing intelligence with strategic decisions to enhance the competitiveness of post-Soviet Georgia's apparel industry. If implemented, the new marketing intelligence model can serve as a strategy to enhance the competitiveness of the industry and increase its responsiveness to global apparel market needs. The findings of the research can have a significant impact on the Government policy and general industrial practice.

The key constructs were framed into a cohesive framework and a set of propositions were developed highlighting the importance of a rational application of marketing intelligence in post-Soviet Georgia's developing apparel industry. Finally, the researcher provided suggestions for further research in this emerging area of interest. There is a room for a wide array of academic research projects into many other processes related to the development of a successful marketing intelligence model for developing countries.

# 1.4 Aims and objectives of the research

The aim of the research is to investigate why the standard marketing intelligence model failed to deliver value to post-Soviet Georgia's apparel industry. This was achieved through a

comparative case study of preselected two factories - one Georgian and one Turkish owned factory, operating in Georgia. In selecting the sample, the researcher followed non-probabilistic sampling. The selection of one Turkish owned factory was based on its relatively big size, flexibility of operations and positioning in the global apparel market, as one of the attractive destinations for outsourcing since most of the international brands outsource their production process to this factory. The selection of the Georgian factory from the existing 10 factories was based on the following criteria: flexibility, relatively big size and innovative character (EPI-USAID, 2011). In order to investigate the faults of the existing marketing intelligence model in Georgia's apparel industry the following objectives were identified:

- 1. To critically review the literature on the concept of marketing intelligence and evaluate its effect on the competitiveness of organizations.
- 2. To determine the degree of marketing intelligence presence within preselected two factories- one Georgian and one Turkish operating in Georgia. (Individual, semi-structured interview)
- 3. To analyse the application of marketing intelligence within Georgia's apparel industry, why the standard model fails to deliver value. This was achieved through comparison of preselected two factories one Georgian and one Turkish, operating in Georgia. (Individual, semi-structured interview)
- 4. To compare the effectiveness of marketing intelligence application between preselected two factories one Georgian and one Turkish, operating in Georgia where most of the international brands outsource the production process. (Individual, semi-structured interview which was complemented by related reports)
- 5. To develop an empirically-validated model of practice which integrates the strategic application of marketing intelligence with strategic decisions to enhance the competitiveness of post-Soviet Georgia's apparel industry.

The relationship between marketing intelligence and competitiveness was embedded within the relevant literature; therefore the first objective was addressed through the critical review of related literature. This helped to develop better insights on the benefits of marketing intelligence in order to evaluate its impact on the competitiveness of Georgia's apparel industry.

Second, the third and fourth objectives were addressed through the in-depth assessment of primary data obtained from 10 official, individual semi-structured interviews with the managers, deputy managers and line managers of preselected two participant factories, as well as with the Government of Georgia, apparel & footwear association and Tbilisi fashion week.

For a richer story the research process has revealed a need for more interviews therefore in addition to official 10 interviews the researcher conducted forty – seven unofficial interviews with the followings: three other factories in Batumi, one factory in Kutaisi, seven factories in Tbilisi, former leader and deputy leader of the USAID project – EPI Georgia, two international experts of USAID, representatives of the vocational educational centre, three other Government representatives, two other members of Tbilisi Fashion week, two other members of the association and three Georgian fashion designers. The interviews were conducted with different groups such as: apparel factories, the Government of Georgia, apparel & footwear association, Tbilisi fashion week, experts from the USAID project and Georgian fashion designers.

Data collection tools for second, third and fourth objectives were individual semi-structured interviews, which gave the researcher flexibility to obtain the deeper understanding of the inherent problem. According to Cohen & Crabtree (2006), semi-structured interviews enable researchers to be prepared ahead of time and appear more competent during the interview. In addition, it allows informants the freedom to articulate their views in their own terms. In addition, interviews were complemented by related reports to triangulate and validate them. Obtained data and adequate evaluation served as inputs to address the fifth and final objective.

In selecting the sample, the researcher followed non-probabilistic sampling. The sample chosen for the present research were two factories. The selection of factories – one Georgian and one Turkish - was based on their size, flexibility and innovative character. The initial focus of the researcher was on the whole population comprising ten Georgian and four Turkish factories operating in Georgia. However, based on the recommendation of the panel during the transfer interview, the researcher has changed the direction of the thesis as a comparative case study, which triggered the need to minimize the number of participant factories. Consequently, the researcher has looked at preselected one Georgian and one Turkish factory operating in Georgia. The selection criteria for both factories were: size, flexibility and innovative character.

Apparel sector assessment, made by the industry experts from the USAID project (Bishop, 2011 & Carpenter, 2011) revealed that marketing culture and production efficiency levels are higher in Turkish factories operating in Georgia compared to Georgian factories. Turkish factories, despite being staffed by Georgian employees, respond better to global apparel market needs, reflected in the stronger positioning and higher returns. These findings suggest that marketing intelligence in Turkish factories is more effective. Intelligence, coming from the competitive landscape, reaches the destination with minimal loss, enabling companies to respond to global market needs more effectively. In contrast, local factories in Georgia have access to the same

marketing intelligence but fail to deliver value, which creates a competitiveness gap and constricts ability to respond to changing global apparel market needs.

Comparison of marketing intelligence application between Georgian and Turkish factories operating in Georgia greatly helped the researcher to identify the degree of marketing intelligence and the effectiveness of its application, with the focus on the consequent impact. The present research looked at three years data from 2011 to 2013. The implication of the present research is based on the proposition that with the rational application of marketing intelligence competitive environment is better considered and practically understood that increases the level of competitiveness.

Finally, a new model of practice is developed emphasising the rational application of marketing intelligence as a strategy to enhance the competitiveness of post-Soviet Georgia's apparel industry. This has been done by identifying the elements of best practice among the successful international companies that can be incorporated within the apparel industry.

# 1.5 Research problem & research question

The rapid advancement of technology drives changes in all industries, triggering a need for modification and design of enhanced business models and tools. In the light of progressive developments, data mining analysis has turned into a major tool for identifying new markets, business strategies and new operating models that generate and enhance growth and profitability (Rihter & Halle, 2015).

Traditional marketing decision-makers found the established marketing intelligence model effective in support of strategic decision-making (Trim & Lee, 2007). Even in the late 1920s, Bell (1996) recognized the absence of adequate marketing intelligence model as a cause for the lack of strategic planning and contingency-based decisions. However, regardless of the recognized benefits of marketing intelligence, the existing model fails to operate effectively in post-Soviet Georgia's apparel industry, which leads to a competitiveness gap (EPI-USAID, 2011). No empirical research has been undertaken so far on how the model operates in developing countries such as Georgia, therefore the present research has addressed the void in the literature.

Local apparel factories in Georgia have equal access to intelligence. However, because of poor applicability of the existing marketing intelligence model, it can be highlighted that obtained intelligence fails to deliver associated value and benefits. This is because of the shortage of skills capable of identifying, processing, disseminating and integrating intelligence into a decision-making process. Among the multiple reasons for the relevance of the existing marketing intelligence model, Kumar et al. (2010) viewed managers' inability to see the actual benefit of the proper utilization of marketing intelligence as a major barrier for value delivery.

Consequently, to reiterate the above-noted idea articulated by Powell & Allgaier (1998) that the achievement of higher competitiveness is more contingent on an effective application of marketing intelligence rather than on simply access.

As explained above, there is a general consensus among scholars regarding the importance of an effective marketing intelligence system that aids in obtaining, processing and applying adequate intelligence rationally to enhance competitiveness (Kumar et al. 2010; Mochtar & Arditi, 2001; Öztürk et al. 2012; Negi et al. 2014). In addition, a study by Lewis (2006) highlighted the benefits of marketing intelligence in the pharmaceutical industry in the UK. Flesher (2008) studied the positive influence of marketing intelligence in general business in Canada. A study by Nasri (2012) also underlined the value of marketing intelligence in the retail industry in Tunisia. Despite the recognized benefits of marketing intelligence evident in different countries and different industries, the existing marketing intelligence model seems to provide poor evidence of delivering value in post-Soviet Georgia's apparel industry. Consequently, this creates a significant competitiveness gap within the industry (EPI-USAID, 2011). Hence, the research question derived from the extant research is:

Why does the existing marketing intelligence model fail to deliver value to post-Soviet developing Georgia's apparel industry?

The existing marketing intelligence model has flaws. The existing practice results in the poor collection, assessment and dissemination of relevant intelligence that trigger low, or in some cases, even total absence of responsiveness to global apparel market needs. At some point of dissemination, information-loss seems to be evident, stripping the model of its value. Amongst many reasons, the partial justification for the malfunctioning of the existing marketing intelligence model can be the poor understanding of minimum relevant data input and its rational application, which can turn the model into a valuable tool, capable of delivering value to the apparel industry of developing Georgia.

The present comparative case study sought to investigate marketing intelligence as a strategy to enhance the competitiveness in the apparel industry of Georgia. It was an attempt to understand the strategic application of marketing intelligence, which has not been a subject of exploration among scholars in relation to apparel industry in post-Soviet Georgia. This has been accomplished through the continuous comparison of preselected Georgian and Turkish factories operating in Georgia, which according to the USAID assessment are the most flexible and sizable factories. As outlined above, the selection criteria for the local case factory were: flexibility, innovation and size.

The present research proposes a new model of practice that explains tactical utilization and integration of marketing intelligence into a decision-making process that leads to a higher level

of competitiveness. The proposed model of practice focuses on an improved understanding of marketing intelligence theory and the impact of its rational application on the competitiveness of post-Soviet Georgia's developing apparel industry. The model deems marketing intelligence as a key strategic tool to foster performance and competitiveness of Georgia's apparel industry. It can be achieved by eliminating information gap in the existing model of marketing intelligence and altering behaviour that can lead to significant improvements in the sector and enable practitioners to effectively respond to global apparel industry needs.

Table 0:1 Relation between research aim, objectives, questions, methods and statistic/analytical tools

Aim	Objectives	Research questions	Hypothesis	Data collection tools	Statistic/ Analytical tools
To investigate why the standard marketing intelligence model fails to deliver value to post-Soviet Georgia's developing apparel industry.  This was achieved through a comparative case study of selected two factories - one	1 - To critically review the literature on the concept of marketing intelligence and evaluate its effect on the competitiveness of organizations.  2 - To determine the degree of marketing intelligence presence within preselected two factories- one Georgian and one Turkish operating in Georgia.  3 - To analyse the application of marketing intelligence within Georgia's apparel industry, why the standard model fails to deliver value. This was achieved through comparison of pre- selected two factories – one Georgian and one Turkish, operating in Georgia.	Why does the existing marketing intelligence model fail to deliver value to post-Soviet Georgia's developing apparel industry?	N/A	Semi structured interviews	Thematic analysis  Thematic analysis  Thematic analysis
Georgian and one Turkish owned factory, operating in Georgia.	4 - To compare the effectiveness of marketing intelligence application between preselected two factories - one Georgian and one Turkish, operating in Georgia where most of the				Thematic analysis  Some quantitative data was analysed

international brands outsource		through
the production process.		ration
		analysis.
5 - To develop an empirically-		
validated model of practice		
which integrates the strategic		
application of marketing		
intelligence with strategic		
decisions to enhance the		
competitiveness of post-Soviet		
Georgia's apparel industry		

# 1.6 Brief description of methodology

Due to particular nature of the research question which emphasized understanding the participants' views on the importance of marketing intelligence and its rational application, the use of qualitative method aided to better address the issue. Therefore, the research design selected for the present research is qualitative. In addressing the research question, the researcher considered interpretivist philosophy which added clarification to the research problem (Baxter & Jack, 2002). For a more comprehensive understanding of the issue, the researcher chose qualitative case study strategy of inquiry.

The interviews were conducted with the managers/deputy managers and the line managers of two preselected factories - one Georgian-owned and one local Turkish-owned, with the apparel and footwear association of Georgia, the Government representatives of Georgia and Tbilisi fashion week. For a richer story the research process has revealed a need for more interviews therefore in addition to official 10 interviews the researcher conducted forty - seven unofficial interviews with the followings: three other factories in Batumi, one factory in Kutaisi, seven factories in Tbilisi, former leader and deputy leader of the USAID project – EPI Georgia, two international experts of USAID, representatives of the vocational educational centre, three other Government representatives, two other members of Tbilisi Fashion week, two other members of the association and three Georgian fashion designers. The interviews were conducted with different groups such as: apparel factories, the Government of Georgia, apparel & footwear association, Tbilisi fashion week, experts from the USAID project and Georgian fashion designers.

Obtained data and developed conceptual framework enabled the researcher to develop six major themes that addressed the research question and research problem.

The secondary sources of information were as follows: apparel industry experts' reports prepared by the donor organizations such as the USAID and the World Bank, Georgia's Government reports and other material ensured by the school via internet or school campus.

# 1.7 Key assumptions

The research rests on the assumption that a strong presence of marketing intelligence and its rational application can enhance the competitiveness of the apparel industry in developing countries. The proposition is that local apparel factories in Georgia face a unique opportunity of increasing the competitiveness of Georgia's apparel industry, once the degree of marketing intelligence presence is improved and integrated into strategic decision making. The presence and rational application of marketing intelligence can provide Georgia's apparel factories relevant information, contributing better responsiveness, flexibility and innovation.

#### 1.8 Conclusion

The chapter comprised 10 sub-sections. It started with the introduction, highlighting the value of marketing intelligence. The key focus of this chapter was the importance of marketing intelligence as a way of enhancing the competitiveness of any industry by being responsive and proactive. The chapter also highlighted how the significance of marketing intelligence had increased with rising competition and influx of big data. This was followed by the research background. As revealed in this sub-section, the global manufacturing industry had witnessed dramatic modification as a result of technological advancement. Such background imposed the need for competing companies to be rapidly adaptable to new more sophisticated global apparel market requirements. This sub-section focused on the fact that in the light of the global apparel industry developments, where most of the brands are looking for a new partnership with the low-cost countries for outsourcing contracts, Georgia has a potential to turn into a manufacturing hub. The following section focused on the importance of the research. The next sub-section highlighted the aims and objectives of the present research, followed by the research problem and the research question: "Why has the existing marketing intelligence model failed to deliver value to post-Soviet Georgia's apparel industry?".

The sixth sub-section highlighted the limitations of the research, which is often associated with the openness of participants and willingness to share accurate information on the research topic. This was followed by a brief account of the methodology applied to address the research question. The subsequent sub-section highlighted the key assumptions of the thesis, followed by the general outline of chapters. And finally, the chapter ended with the conclusion.

# 2. Marketing Intelligence and the global apparel manufacturing industry

The economic environment has undergone transformation and modification to fit the competitive environment. Rising competition triggers need for accurate market segmentation, sophisticated technology and a constant presence of relevant intelligence in order to track and respond to changing market demand. Rapid developments certainly create a state of turmoil and turbulence in the competitive environment and cause changes in market conditions. Hence they pose the urgent need for flexibility and adaptation to new requirements for companies. Such conditions generate an urgent requirement to integrate marketing intelligence into routine operations as a way of surviving (Miculescu & Miculescu, 2012).

A shift in the textile and apparel tendency and trade has turned into a subject of interest among scholars. Saricam et al. (2012) have been active observers of the global apparel value chain and hence analysed the shifts within the apparel industry with a systematic approach. According to their observation, four migration phases have occurred during that period - the first of which was from North American and Western Europe to Asian Big Three in the 1950s and early1960s; second shift occurred from Japan to Asian Big Three; third migration happened towards China and other Southeast Asian countries; finally, fourth migration occurred in the 1990s towards south Asia, Latin America, Eastern Europe and Mediterranean region.

The accession of China to World Trade Organization (WTO) and abolishment of quotas in 2005 had an enormous impact on the world textile and apparel industry. China has captured the largest share of the world's manufactured garments by developing the acumen to offer start-to-finish full-package services to dominant brands. However, the limited availability of financing increased labour unrest and growing political uncertainty in China has created concern for the international brands. Therefore, the major international apparel brands have commenced shifting apparel sourcing away from China to other cost-competitive countries like Georgia (Bishop, 2011).

In that context, Georgia faces the potential to turn into a manufacturing hub. However, the existing ineffective marketing intelligence model prevents companies to obtain relevant intelligence on time and respond to global apparel brands' needs. Georgia has an opportunity to engage in a global apparel production, though this is contingent on the better informed understanding of the global apparel market needs and the fast adaption to changing taste and needs of sophisticated global brands. This can gradually be achieved through the presence of a viable marketing intelligence model, enabling industry representatives to become familiar with the nature of the global apparel production (Bishop, 2011; Carpenter, 2011). However, in the absence of empirical study on the functioning of the model in Georgia's developing apparel

industry, there is a need for closer investigation of the model to determine the major hindering factors, and tailor approaches which take into account the specific Georgian context.

Changes have taken place in the global apparel industry. The majority of manufacturing enterprises have been continuously facing demands for mass customization, reconfiguration and improvement in quality, speed and cost of the manufacturing process. Such competitive environment generated the need for constant analysis, planning, implementation and control in order to achieve competitive advantage.

A more recent study by Gopura et al (2016) highlights the changes in the buyer driven global apparel manufacturing industry in which buyers (brands) commonly from developed countries are heavily relying on full package network from manufacturers most commonly located in developing countries. In that regard, developing countries such as Georgia willing to collaborate with the international brands and buyers need to better understand their needs and wants. More importantly, only having information on global market needs is not enough unless adequate measures are undertaken for introducing changes in the working culture and skills. Currently, Georgia's apparel industry specializes in cut make and trim. Other low-cost countries like Sri-lanka are transitioning from Cut, Make, Trims (CMT) assembly and Original Equipment Manufacturing (OEM) to Original Design Manufacturing (ODM) and Original Brand Manufacturing (OBM). The transition from CMT to higher value activities relies on the presence of adequate expert professionals who can provide creative, commercial, technical, and leadership skills in the process. For the apparel manufacturers in Georgia the problem is double fold, first it is costly to collaborate with such experts, due to a shortage of financial resources, secondly no research is available providing recommendations on how to foster the shift of Georgia's apparel industry to a higher level into a value chain. The only similar study available is the USAID report which serves as a basis for the present research. However, even that study fails to provide details on the successful transition in a higher level in the apparel value chain of Georgia and successful modernization.

Low-cost countries like India and Bangladesh have gained customers in the light of the global apparel industry developments, but limited production capacity sufficient to absorb additional orders has left room for more players in the market, willing to get engaged in the outsourcing opportunities. On the other hand, increased transportation costs are encouraging international brands to look beyond Asia for producers closer to their markets. In the light of these developments, Georgia, with its unique location bordering Turkey which is a major apparel producer, faces new export opportunities to turn into a manufacturing hub. However, it hinges on the ability and skills of local manufacturers to become more market oriented and identify keen intelligence to better respond to the changing and growing needs of the global brands (Carpenter, 2011).

Successful engagement in export activities remains challenging for post-Soviet countries. Companies in most of these countries still remain unable to adapt to turbulence and complexity of the competitive environment, hence the value delivery remains unsecured. Consequently, the operation only at the local market undermines the competitiveness of the industry. As noted by Ignjatijević, & Raičević, (2016, p. 204), "in order to improve the competitiveness of textile and clothing industry, it is necessary to enable a faster transfer of new technologies and innovations, to organize the process of modernization, to link small and mid-sized businesses into clusters and introduce the essential quality standards". However, no studies are available in Georgia's apparel industry to provide an idea on how to organize the process of modernization and standardization.

Apparel manufacturing is a system encompassing all steps starting from order to shipment, including planning, design, purchasing, production, inventory, distribution, marketing and sales etc. Today, the global apparel manufacturing industries face challenges due to quick technological developments and more demanding customers. Tesfaye et al (2016, p.421) argue on the value of technological developments in the apparel industry of Ethiopia. The study focused on the linear programming that introduced significant improvements in the efficiency of the labour force. "In apparel manufacturing firms, efficient use of materials such as fabrics and sewing threads and processing time at different stages of production as well as minimization of labour and materials cost are necessary to enhance their profitability." However, scholars argue on the pending issue of resource allocation. The similar problems are apparent in post-Soviet Georgia's apparel industry suffering from the shortage of technical skills that affect the efficiency of the factories. As noted by Yalçinsoy et al (2014), every manufacturing company has to apply available resources optimally with the aim to increase profit. This remains a challenge in Georgia's apparel industry. However, no studies have examined what is the optimal use of labour in Georgia's apparel industry.

The shortage of technical skills has implication in the low effectiveness of the industry. Georgian apparel factories with limited production lines serve as an indicator of less productive labour with a low efficiency which is detrimental to the apparel industry. Much money is spent on design and arrangement of effective production lines in the developed countries however completely perfect lines are rare in practice. Even in whole automated lines, imperfections can be found (McNamara, 2017). No research has been done in Georgia that could have provided a detailed assessment of production lines with the aim to provide recommendation how to maximize the performance of lines. Therefore, again it creates the literature gap regarding the arrangement of production lines in developing countries.

When discussing the global apparel industry indeed much attention needs to be paid on the ERP. One of the important aspects of the apparel industry is the ERP, which represents a fully

integrated and customizable business management system for organizations. ERP helps reduce company costs, facilitate the data mining and streamline processes (TrueERP Software, 2017). One of the major uses of ERP software is controlling a supply chain. A recent article by Binnis (2017, p.2), argues on the importance of having the adequate supply chain in the apparel industry. In that regard, in the light of technological developments, two areas are underlined, first need for a holistic assessment of the organizational structure in order to ensure the effective process of merchandizing, planning, and buying decisions. The second is the optimization of omnichannel operations and systems. From an operational viewpoint, numerous companies still face uncertainty in supply chain and inventory management models. Companies that ensure effective management of their inventory deploy an enterprise-wide model of planning and managing their supply. "More specifically, there is a widely adopted concept among consumer packaged goods manufacturers commonly referred to as Sales & Operations Planning (S&OP) – a way to continuously plan demand, supply, and appropriately balance the two competing activities. Apparel brands and retailers need to adopt a similar mindset." However, this approach is suitable for the countries and industries supported with a well developed technological background and customer and market oriented industries. The activation of the systems and model remain a challenge in Georgia's apparel industry characterized by still prevailing technological illiteracy. Arguably, there is no academic work on how these models can be implemented in developing countries.

According to Pani and Sharma (2012), apparel is one of the most profitable segments of the retail sector. However, preferences in this area are determined by more demanding and sophisticated customers and buyers. Today, the global apparel industry has turned into one of the main drivers of a new reality, with demanding global consumers, global suppliers and distributors and particularly with the shorter product life cycles. It is being developed at a rate that claims a large spectrum of studies in design, production management, quality control and effective planning. Such background calls for a strong presence of relevant marketing intelligence to fit the new changing global apparel industry.

For developing countries such as Georgia, such dramatic changes have even accelerated challenges due to the limited capacity of local manufacturers to cater the latest demands and trends. Local factories lack the agility and understanding that manufacturing systems no longer exist in the isolated environments. As noted by Littlejohn (2013), rivals face the need to adjust to variations in customer demands, new technologies, and other changes in the modern manufacturing environment. The obvious shifts are dramatic, from local to national and to global marketing, from price to non-price competition. As companies face the need to expand their geographical market coverage, managers consequently need more information on time. This serves as the only way to accurately predict consumers' changing taste and response to

different features, styles and other attributes (Igbaekemen, 2014). Despite the acknowledged importance of being adjusted to modern environment to be responsive to changing customers' need, still there is a literature gap on how developing countries can prioritize action in order to get engage into this process.

As explained by Girneata, & Dobrin (2015), European textile and clothing industry has seen significant changes in recent decades due to the technological advances, developments in production costs, the emergence of major and international competitors. Globalization and technological advancements have posed a need for rethinking the existing strategy for better compliance with the competitive requirements. As a result of competitive challenges, the sector has undertaken the time consuming process of restructuring and modernization. Such environment forced companies to establish a set of competitive priorities which became critical variables to manage manufacturing operations. These variables are: selling price, quality, delivery time, product range, all facilitating the improvement of operational competitiveness.

However, the determination of competitive priorities for the apparel industry of post-Soviet Georgia has not attracted the attention of scholars. Therefore, no empirical evidence has been collected that could have assigned a certain set of priorities over the others in developing countries. In view of this contextual background, with characterized poor marketing culture, low efficiency and scarcity of technical skills, the investigative assessment is essential. A closer look at the challenges preventing competitiveness of the apparel industry can assist in determining which competitive priorities can be enhanced initially to provide a sound basis for further development of the apparel industry.

The lack of studies in developing countries creates a gap in the characterization of smart manufacturing strategies. Even in developed countries, simply adjustment of manufacturing strategies is not sufficient. Technology has been integrated more into operations forcing companies to formulate smart strategies consistent with the use of manufacturing technology to meet needs of the globally competitive and changing environment. The future competitiveness of manufacturing operations in the light of dynamic and complex environments hinges on forward-thinking strategies (Liu, 2013). This topic has not been previously studied by scholars in relation to the apparel industry of developing countries therefore smart, forward thinking manufacturing strategies for Georgia's developing apparel manufacturing industry is in need of study.

Cavusgil & Kirpalani (1993) have studied a model highlighting the correlation between the marketing mix and export performance. However, the inclusion of control variables in the model such as firm size, international experience and resource advantages has generated

changes. In that regard, Firmansyah &Yousef, (2013) argue that large enterprises seem to experience fewer problems in terms of complying with the changing environment due to the abundance of resources, but small and medium manufacturing companies like in Georgia face problems as a result of resources scarcity. With the consideration of the size of Georgia's apparel market Georgian factory 001 is big. However, relatively big size of the company does not seem the guarantee for the availability of required staff Georgia's apparel factories. This suggests that, without a clear understanding of contextual circumstances, the recommendations for creating an effective model and especially for marketing standardization are devalued. This creates a theoretical gap in designing the models, including marketing intelligence model for developing countries like Georgia that requires further exploration.

In this environment, simply making things better has proved to be insufficient for being responsive to changing requirements. In that regard, focusing only on manufacturing processes will likely fail to lead to the higher efficiency and the higher profitability; neither will it lead to differentiation through new distinguished products. There is an apparent need for more comprehensive and holistic approach. It implies not only replacement of old manufacturing processes with more flexible and efficient ones, but the profound understanding of new product specification set by demanding customers. Manufacturing processes leading to final product should change as well, in order to become adapted to such new product specification. Such drastic changes force companies to commence by scrutinizing the surrounding environment to obtain relevant information for an efficient planning and modifying internal behaviour for more effective response (Arias & Solana, 2013).

Under these circumstances, companies worldwide are forced to adjust constantly, offer products and services in compliance with the global market needs which require sophisticated production processes, capable of responding quickly to changing environment. Today, competitiveness is contingent on a company's ability to design sound strategies to fit the global market. Consequently, the modernization and adaptation to new realities trigger the requirement for the constant presence of marketing intelligence, leading to innovative approaches, methods and processes as a sole way to meet the current scientific and technical progress.

Manufacturing lies at the core of industrial economies and contains all different kinds of services that are connected to manufacturing chain and it does represent one of the key contributors to the world economy (World Bank, 2011). With the consideration of the apparel value chain characteristics, comprising multiple steps, starting from raw to sales, the presence of relevant marketing intelligence seems to be an essential element at all stages. With a strong marketing intelligence model companies, engaged into apparel value chain activities, will be able to better understand general market requirements and hence deliver higher value.

Georgia is trying to engage in the global apparel production but is left with no choice but to create an effective marketing intelligence model for survival. Arguably this is the first study of this nature that provided recommendations to Georgia's apparel industry on how to make the existing marketing intelligence operable and capable of delivering value to the industry.

# 2.1 Post-Soviet apparel industry and the global apparel manufacturing industry

The apparel industry is considered as one of the vital sectors of the economy in terms of investment, revenue, trade and employment generation all over the world. The apparel industry is characterized by having short product life cycles, incredible product variety, volatile and unpredictable demand, long and inflexible supply processes. The industry has witnessed a significant transition over the last 20 years. Apparel, as a highly fashion driven industry, faces need to be in line with fast changing trends. Consequently, apparel industry representatives are required to cope with varying tendencies. Some of the major contributors are: significant consolidation in retail, increasing use of electronic commerce in retail, and wholesale trade. At this background, the absence of an effective marketing intelligence model creates a gap, leaving manufacturers unable to respond to market needs (Fashion products, 2017).

Even in mid-20es Snow (1984) precisely predicted the current environment where companies buy raw material anywhere in the world at a low price, find places to manufacture at the lowest cost and finally sell where the product can bear the maximum price. This is a typical picture that takes place in today's global apparel industry, where brands aggressively pursue disintegration of the production process in search of decreasing production costs. An increasing number of apparel retailers have changed the production process and created need for organizing supply chains globally. In the meantime, producers have transferred part of their production to low-cost countries to maintain market competitiveness. This was mostly triggered by the differences in salaries across the global labour markets and high profits obtained from trade (Girneata & Dobrin, 2015). In the light of such developments Georgia, with its unique location and competitive labour cost has the opportunity to turn into a manufacturing hub, however weak marketing background and skills shortage halt this process.

Georgia has a long history of a successful apparel production dating back to old Soviet times, when apparel sector was one of the key contributors to the economic growth of a country. The collapse of the Soviet Union has had a devastating impact on the apparel industry. From 2004, Georgia's apparel manufacturers got engaged in an important effort to revitalize this once thriving sector, but narrow operations only in the domestic market deprived the sector of the potential to thrive in the face of fierce global competition. For developing country like

Georgia, market expansion and successful repositioning both at local and international markets are essential in the light of a changing and developing competitive environment (GNIA, 2009).

Apparel industry represents one of the essential catalysts for national development and has proven to be one of the first manufacturing sectors to come out in emerging economies like Georgia. Apparel is a perfect example of a buyer-driven value chain, with the key characteristics of being highly competitive with globally decentralized factory systems and in most cases with low entry barriers. As explained above by Pani and Sharma (2012), preferences in the apparel industry are determined by sophisticated buyers and customers who make the apparel industry more buyer-driven. Such environment increases need for a relevant piece of intelligence for effective decision making and response to market needs. Igbaekemen (2014) views the presence of the marketing environment as a sound basis for survival at the background. Despite the wide acknowledgment of the value linked to marketing intelligence, no studies explore the process of ensuring the effective marketing intelligence model for Georgia's apparel industry.

The changing competitive environment conveys information persistently on changes, trends. However, companies in Georgia's apparel industry lack the skills to timely identify the relevant piece of intelligence and integrate it with the internal knowledge in a sensible way. It involves a continuous process of broad-based investigations into technologies and markets by effectively applying external information sources (Schweitzer et al. 2011). However, with a poor marketing and technological background, such activities remain challenging.

The assessment of Georgia's apparel industry conducted by the EPI - USAID (2011) revealed the whole array of challenges, which deprived the sector of value added activities. The combination of ailing factors such as: the poor presence of marketing culture, weak application of marketing intelligence coupled with insufficient skills and outmoded technology create a significant competitiveness gap within Georgia's apparel industry. Apparel manufacturing industry representatives in Georgia are required to re-think the existing strategies and approaches in an effort to absorb more value driven activities, facilitate the development of core competencies and increase the general level of competitiveness, (Ragelska & Korsakiere, 2011). However, there is an absence of academic literature regarding the value added activities in the apparel industry of Georgia therefore it creates problems in terms of rethinking the strategies and designing the tailored approach.

The major challenge for Georgia's apparel manufacturers is to overcome its poor understanding of marketing principles and the value of marketing intelligence that leaves industry unable to fit in the modern global apparel industry. The existing model of marketing intelligence apparently contains flaws that hinder the full successful realization of the model in terms of

delivering value in developing country. Such a flawed model leaves industry representatives unable to rationally analyse, apply and integrate marketing intelligence into a strategic management process. The consequent information gap generates problems of timely response and interpretation of available data, therefore the existing model must be reconsidered for developing countries like Georgia. Arguably, this is the first study in post-Soviet Georgia that will introduce changes in the industrial practice and facilitate the engagement of the local industry in the global apparel industry production.

# 2.2 Hindering factors affecting the development of post-Soviet Georgia's apparel industry

The EPI-USAID (2011) made an assessment of Georgia's apparel industry, which revealed a significant competitiveness gap in the sector, stripping local apparel industry of the ability to respond effectively to global apparel market needs. According to the report, one of the key contributors of the existing competitiveness gap is still the prevailing poor marketing culture which in combination with skills shortage significantly affects the industry's advancement. Consequently, with a poor marketing background and other assumed hindering factors, the existing marketing intelligence model fails to operate effectively in post-Soviet Georgia's developing apparel industry.

Grooms (2001) described a significant challenge faced by managers in terms of implementing the right marketing intelligence model within companies. Competition has become tough in the global apparel industry. Bellemare et al. (2013, p. 8) argued that "products offered often fail to meet the apparel manufacturers' and distributors' needs and expectations". This can be attributed to several challenges identified by the authors from interviews with different stakeholders. These factors are: "(1) the lack of technological fluency on the part of both managers and labour; (2) strong resistance to change in a very traditional industry still relying on outdated work habits; (3) the lack of proactivity and use/implementation of strategic or technical watches; (4) minimal investment due in part to the difficulty in borrowing; (5) the bad press often given to technology and mass customisation implementations by some of the important industry actors" (Bellemare et al.2013, p. 5).

Related literature on the benefits of marketing intelligence (Fleisher, 2008: Kurtz, 2008: Roux & Osthuizen, 2010) affirms the void in the application of marketing intelligence model in developing countries. Therefore, this topic remains unexplored and consequently requires closer attention to identify the key reasons for its malfunctioning and find an immediate short term solution.

The model is flawed because of many potential malfunctioning aspects. Amongst possible reasons is viewed the lack of regard for marketing intelligence as a result of poor marketing culture and inability to assess the value of being cognisant of related industry developments.

The problem stemming from the culture and post-Soviet mindset puts limits on flexibility and agility. Culture has significant impact on beliefs and attitudes, as well as productivity by shaping social decision-making process and forming an attitude towards innovation and changes (Apsalone & Šumilo, 2015).

In that regard, the existing faulty model needs be explored from the participants' viewpoint. Their subjective beliefs, attitude, behaviour and importance they ascribe to marketing intelligence play vital role in the explaining the malfunctioning of the model. This topic has not been considered by scholars in relation to developing countries and moreover, for the apparel industry, in which marketing intelligence and customer value serve as a basis for survival.

As outlined above, there is no empirical study showing the analytical results of marketing intelligence model performance in the apparel industry of post-Soviet Georgia. There seem to be practical challenges managers face in employing the model since it fails to deliver value to Georgia's apparel industry. Trim (2004) noted that sometimes it was essential to alter the organizational structure and organization's culture to embrace the change within the environment, where management revealed full commitment to change and shared ideas with those lower in the hierarchy.

For Georgia, the malfunctioning of the existing marketing intelligence model is associated with many factors. Amid multiple deterrents, Evans & Schlacter (1985 cited Meunier-FitzHugh & Piercy, 2006) viewed the poor internal structure of organizations as one of the possible detriments to the meaningful exchange of intelligence. Therefore, both internal and external hindering factors have to be reconsidered to determine the ailing features of the existing marketing intelligence model in Georgia.

Amongst many hindering factors is the technological advancement which according to Chermak (1995) has greatly affected all businesses through cost reduction and improved coordination, the lack of which significantly mars the development of the local apparel industry. Amongst numerous hindering factors, Zala (2010) referred to inflexible labour and poor application of information technology as key issues ailing the apparel industry, which is evident in post-Soviet Georgia. When examining the faulty model, behavioural factors must be considered too. Altering the behavioural aspect of management is believed to have positive impact on the successful operation of the existing marketing intelligence model.

The standard management thinking and approaches were suitable for smooth, less turbulent landscape with well-defined boundaries and less aggressive competition. The changing competitive landscape has forged a new environment with unforeseen complexities, forcing companies to develop new flexible strategies and fresh ways of thinking. Heo (2010) noted

that, the failure to understand the changing environment might have serious adverse effect on the general stance of a company. With the absence of a sound marketing intelligence model, such a turbulent environment has turned out to be challenging for developing countries like Georgia which is trying to get engaged in thriving global apparel businesses.

Cyert & March (1992 cited Campos et al. 2014) argued that information on the competitive environment was not accessible for those companies suffering from the shortage of resources/skills capable of obtaining, analysing and converting it into a valuable data. This seems to be a challenge faced by Georgian manufacturers. In the absence of an efficient marketing intelligence model and resources to apply it rationally, the local apparel industry loses an opportunity to attract international brands and deliver value they are looking for.

Despite the access to intelligence on the global apparel industry developments, Georgia's apparel sector representatives remain unable to get relevant insight to be responsive to global apparel market needs. Moreover, what constitutes the minimum required valuable information for developing country like Georgia, with a weak marketing culture and flexibility remains as concern. Local apparel industry representatives do have access to the relevant sources of data; however, the marketing intelligence model fails to render value due to apparent challenges at the dissemination and response level. It creates significant information loss depriving the model of the promised value. A closer look is required at information flow to identify the most vulnerable area for consideration at the initial point.

Table 0:2 List of assumed hindering factors in the local apparel factories

Ineffective communication, poor flow of information			
Poor marketing culture			
Organizational structure/poor internal structure			
Culture (attitude, behaviour) and post-Soviet mindset			
Shortage of adequate skills			

Source: interviews with the participants and the USAID report (2011).

A significant challenge for developing countries and especially for Georgia's apparel industry is the ability to reconcile the high-level abstractions that are needed to design a viable marketing intelligence model capable of delivering value to industry. The concept of the efficient model is in need of rationalization to shed light on inputs capable of making the model more effective. Another challenge that deserves consideration is a theory laid out by Shannon et al. (1998) arguing that the successful reproduction of information over a communication channel hinges on the design of the system rather than on the meaning of an actual message.

However, what is an effective system for developing countries remains a challenge, not yet considered and researched by the scholarly community.

How the objectives were met

Objective 1: To critically review the literature on the concept of marketing intelligence and evaluate its effect on the competitiveness of organizations.

The first objective was addressed through the critical review of related literature about the importance of marketing intelligence, which was comprehensively covered in chapter two literature review. The literature provided evidence for increasing the value of marketing intelligence among the scholars in the light of the changing global business environment. Marketing intelligence is viewed as a catalyst for growth of a company and facilitator for increasing the level of responsiveness to demanding global market needs.

The chapter highlighted the importance of marketing intelligence as a primary source of value and a critical factor in wealth creation. Another reason for the rising importance of marketing intelligence is the fact that it influences the effectiveness of strategic and operational decision-making, irrespective of the sector of the economy or market in which an organization operates.

Another significant factor affecting the global businesses is the rapid technological advancement that has completely shifted the global apparel industry to a more sophisticated level; therefore, it was given adequate consideration within the chapter. The sources of competitive advantage in the apparel manufacturing industry were considered too, which have proved to be unique sources of competitive advantage in the developed countries with a strong marketing background. However, there is no empirical study supporting these sources as a valuable basis for competitive advantage in developing countries such as Georgia. Another factor, essential for increasing the apparel sector competitiveness, was manufacturing flexibility and its contribution to creating more competitive apparel industry.

The chapter focused on the argument that the value of marketing intelligence is contingent on its effective and rational application, which remains weak in post-Soviet Georgia. The absence of empirical study regarding the application of marketing intelligence model in Georgia creates a gap in terms of identifying the right piece of intelligence to facilitate the strategic positioning of Georgia's apparel industry. The literature contains a theoretical gap in classifying the context for the effective means for succeeding in developing countries with a completely different background characterized by a poor marketing culture and poor understanding of the relevance of marketing intelligence. There is an absence of observational studies in the apparel industry of Georgia. To fill the gap, the focus of this research was on investigating the reasons for the existing faulty marketing intelligence model that deprives Georgia's apparel sector of the potential to turn into a manufacturing hub for many international brands.

Finally, the research findings filled the theoretical gap by developing a new model of practice that could ensure an effective functioning of the existing marketing intelligence model in Georgia's developing apparel industry, with its different background from the developed countries.

Objective 2: To determine the degree of marketing intelligence presence within preselected two factories - one Georgian and one Turkish operating in Georgia.

Objective 3: To analyse the application of marketing intelligence within Georgia's apparel industry, why does the standard model fail to deliver value?

The second and the third objectives were met by undertaking semi-structured face-to-face interviews with the representatives of two pre-selected factories. Obtained primary data enabled the researcher to examine the sources of intelligence and communication cycle within the selected factories, the comparison of which demonstrated the weak presence of marketing intelligence in the local factory (002).

Both factories are having access to marketing intelligence but which delivers value in combination with adequate processing and rational application that is absent in the local apparel factory (002). Information must be subject to regular assessment in order to identify relevant facts, determine significant relationships, and obtain the key findings and conclusions. In that regard, marketing intelligence model, if utilized well by integrating derived intelligence into the decision-making process can deliver high value for any business. This process tends to be smooth in the Turkish-owned local factory (001), where the presence of marketing intelligence is reinforced through regular intelligence processing, assessment and integration into the decision-making process. As a result, the factory is distinguished by long-term lucrative contracts with clients that reinforce strong positioning and profitability of the factory. Long term contracts are essential for competitiveness of the apparel industry, to ensure repeated business based on beneficial mutual alliance and accommodation of changing clients' needs, which is successfully exercised in the Turkish-owned local factory (001) through regular application of marketing intelligence.

Comparison of the two factories demonstrates that Turkish-owned local factory effectively aligns the communication process to ensure dissemination of adequate intelligence among the relevant units. However, this is not widely adopted practice in the local factory because of hindering factors, such as the limited presence of adequate human and financial resources. Georgian factory faces problems concerning intelligence utilization which deprives the factory of the value linked to the rational application of marketing intelligence. Consequently, the resulting information vacuum keeps the local factory detached from the requirements of

changing global apparel industry which results into weak strategic positioning and short term contracts.

Examination of marketing culture in Georgia enabled the researcher to understand the operational background of the factories. It revealed the whole array of challenges hindering the effective functioning of the existing marking intelligence model in the local factory. Amongst key challenges identified are: weak internal and external communication structure, fragile marketing background that results in the absence of a strong marketing team capable of ensuring effective data management and dissemination that affect functioning of the existing marketing intelligence model. The absence of strong marketing strategies influence the positioning of local factories and less market-driven manufacturers that further widen the gap between local manufacturers and global apparel market. Amongst many ailing factors deterring the functioning of the existing marketing intelligence model, is the post-Soviet mindset that increases resistance to change and innovation which are the backbone for survival and competitiveness in the apparel industry.

In a market driven society marketing intelligence serves as a bridge between internal and external environments that enables managers to develop informed and rational decisions on markets, competitors and strategy. The absence of a strong marketing intelligence model within Georgia's apparel industry prevents the creation of this bridge between local and global apparel industries and fails to serve as a catalyst for the required change and a higher level of responsiveness.

Objective 4: To compare the effectiveness of marketing intelligence application between preselected two factories - one Georgian and one Turkish owned, operating in Georgia where most of the international brands outsource the production process.

In order to achieve objective four, obtained primary data was used to compare the effectiveness of marketing intelligence application between the preselected two factories.

The comparison of the factories demonstrated weak and irrational application of marketing intelligence in the local factory (001) because of multiple reasons, among which the key challenge is a weak marketing background that deepens the absence of marketing skills to address the intelligence application issue. A challenge for developing countries and, especially for Georgia's apparel industry, is the ability to reconcile the concept relevant for designing a viable marketing intelligence model capable of delivering value to industry. The existing marketing intelligence model lacks the valuable input capable of making the model more effective. Amongst the ailing factors are: less business oriented internal structure, absence of financial resources to retrain staff to address the skills gap, and match the evolving development in the apparel industry.

Marketing intelligence application in Georgia's factory (002) is particularly affected by the limited presence of skilled workforce. Information on the competitive environment is less valuable for companies lacking resources capable of obtaining, analysing and converting data into a valuable marketing information. In the absence of an efficient marketing intelligence model and adequate resources to apply it rationally, the local apparel industry is losing an opportunity to attract many international brands. The faulty model leaves the apparel industry representatives unable to integrate marketing intelligence into a strategic management process, which generates problems of timely response and interpretation of available data.

The effectiveness of marketing intelligence model in Turkish-owned factory (001) has implication for strong positioning in the local market, reinforced by long term successful contracts with well-known international brands. Rational application of marketing intelligence enables the factory 001 to remain cognisant of the apparel industry developments, maintain a flexible staff capable of dealing with large complex orders without long lead time in compliance with clients' requirements. Most importantly, the effective application of marketing intelligence is associated with the presence of skilled staff that maintains effective communication with the strong marketing department in the head office in Turkey. This approach creates healthy communication cycle, intelligence dissemination and efficient data management process to ensure strategically strong competitive positioning of the factory.

The management of the Turkish owned factory pays close attention to varying competitive environment that conveys information persistently on changes, trends, prospects, threats and weaknesses. Consequently, the value of information becomes apparent in the business strategies that facilitate the achievement of a competitive advantage.

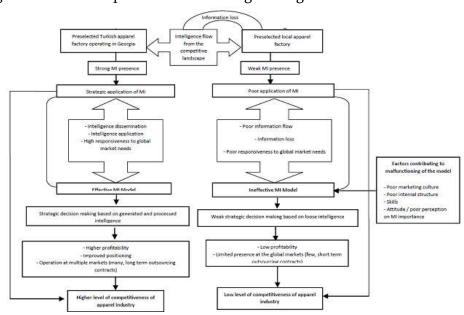


Figure 0-2 The comparison of marketing intelligence model in 001 and 002

Objective 5: To develop an empirically-validated model of practice which integrates strategic application of marketing intelligence with strategic decisions to enhance the competitiveness of post-Soviet Georgia's apparel industry.

In order to achieve the final objective, the findings of the present research were used as valuable input for proposing a new model of practice with the focal point on rational application of marketing intelligence as a strategic tool to foster the performance and competitiveness of Georgia's apparel industry.

The existing faulty marketing intelligence model deprives Georgia's apparel sector of the potential to turn into a manufacturing hub for many international brands. The malfunctioning of the model is particularly harmful in the light of the changing global environment and accompanying technological advancements, where the speed and quality of response to global market needs determine the success of a company.

The findings of the research provided valuable input into this new model of practice, focusing on an improved understanding of marketing intelligence theory and the impact of its rational application on the competitiveness of post-Soviet Georgia's developing apparel industry. The inputs to the new marketing intelligence model consist of effective communication, intelligence dissemination, application for improved decision-making that can lead to better responsiveness to global market needs and increased competitiveness. The new empirically validated model of practice can eliminate information loss in the existing model and facilitate the alteration of behaviour that will lead to significant improvements in the sector and enable practitioners to effectively respond to the global apparel industry needs.

However, successful activation of the model requires external support from several units including the Government of Georgia, the apparel and footwear association of Georgia, and the vocational educational training providers. This holistic approach can significantly alleviate the existing problems by investing in workforce development and creating strong marketing department within the association that can offer valuable marketing services to all factories. Developing countries such as Georgia, trying to become a part of the global apparel value chain, need to reconsider capabilities and introduce relevant changes at all stages of the production process in order to compete effectively.

## 3 Key recommendations

A number of recommendations are proposed that consider available resources and challenges in Georgia's apparel industry. These recommendations aim to support an effective communication cycle and information sharing and transferring of knowledge that will contribute to innovation, flexibility and efficiency. More importantly, the recommendations provide valuable input for an effective functioning of the existing marketing intelligence model that will have a positive influence on the competitiveness of Georgia's apparel industry.

#### 3.1 Recommendation for factories

Structural change / information sharing & data management - The research results reveal the absence of marketing team and marketing department within local factories that monitors competitive business environment, rivals and opportunities, which is one of the key vulnerabilities of the local manufacturers. To overcome this limitation, the researcher recommends the creation of committed marketing personnel. Local apparel factories need to ensure the presence of at least one or two marketing persons within the factory in charge of undertaking marketing activities. They need to increase awareness of the value of communication at all levels.

Even if marketing intelligence is provided by the apparel and footwear association, there should be a single representative within the factory to process and utilize intelligence and, if required, communicate with potential buyers for more information on a potential deal. It will help factories design effective marketing communication to target new and existing customers. Where this is implemented, the marketing intelligence model is likely to become more effective and imperative in terms of delivering value.

*Improved communication structure* - The research investigation identified the absence of an effective communication structure within Georgia's apparel factories, which is essential for export-oriented apparel industry, in order to efficiently comply with changing industry requirements. In Georgia's apparel industry there is a need for skilful marketing managers able to build networking and to ensure communication and negotiation with potential buyers/clients. In addition, local factory managers need to develop skills for effective communication, negotiation, networking and building long term beneficial relationship with potential buyers.

For this change to take place the Government of Georgia and the apparel and footwear association of Georgia should engage professional, experienced marketing specialists from foreign countries or even locally if available. Targeted training should be aimed at increasing awareness of the value of an effective communication structure both internally and externally, to enhance intelligence flow that will directly contribute to an effective functioning of the existing marketing intelligence model at all levels.

On-site cross-training practice to address the existing production efficiency problems - Apparel industry is very competitive and in most cases it suffers from low productiveness, as is the case in post —Soviet Georgia. All interviewed respondents highlighted the dominant production efficiency problem, despite the fact that currently Georgia focuses on the CMT (Cut, Make & Trim) production, which provides opportunities for garment producers to strengthen operational capacity. However, there is an urgent need to improve product quality and production capacity even under the CMT modality. The production efficiency problems are accelerated by the absence of adequate technical skills that deters the smooth manufacturing process. Factories need to take as an example the Turkish-owned factories in Georgia and ensure cross training of all sewers to gradually address the production efficiency problems. Moreover, this approach will make staff more flexible and smart, capable of dealing with multiple orders comprising various tasks.

Turkish owned factories have competent line managers who are in charge of sharing knowledge among sewers in the line and create technical knowledge within the factory. This approach should be practiced well among local factories that will enhance the knowledge dissemination among personnel and gradually eliminate the efficiency problems. In the light of financial constraints, this approach will be less costly for local factories and will have immediate impact on their capabilities.

Low efficiency of CMT focused local producers has been identified as one of the key causes for low competitiveness in combination with outmoded machinery. Other countries, with sufficient financial resources, respond to this problem by upgrading the machinery and automatizing the production line to boost productivity. However, this approach for Georgia might be risky, since apparel is a labour-intensive industry and full support of automatization generates the risk of higher unemployment. In the light of the financial constraints, local apparel factories cannot afford to invest in expensive machinery, which itself requires skilled people capable of operating these units. Therefore, investment in capacity building through targeted training will have immediate impact and long-term benefits.

Changes in working culture and attitude - Each respondent pointed out the presence of post-Soviet mindset and the consequent inappropriate attitude that has implication in poor working culture. Under the post-Soviet mindset the respondents referred to old, inflexible style of working characterized by reluctance to embrace change and innovation. To ensure change, local factories need to design training to underline the benefit of flexibility and change, and make such training compulsory for all employees during initial recruitment training. Where this is implemented, employees are more likely to embrace an appropriate attitude and display appropriate working culture.

# 3.2 Recommendation for the apparel and footwear association of Georgia

Improved positioning through effective communication - The research investigation demonstrated weak positioning of the apparel and footwear association of Georgia, which fails to act as a bridge between the apparel industry and the Government and form a channel through which information is transferred from industry representatives to the Government for consideration for economic policy-making. There is extensive evidence to suggest that the apparel and footwear association of Georgia needs to start by ensuring effective communication with industry representatives and all related parties. It has to gain the trust of local factories in order to create unity and speak with one voice for the common interest of advancing the apparel industry.

For better understanding the challenges, the apparel and footwear association of Georgia can regularly use various data collection forms to gain insight into the apparel industry and prioritize the key concern areas in order to deliver them to relevant units for consideration.

Offering marketing services - In view of the local market size, consisting of only twelve Georgian factories and accompanying financial constraints, the apparel and footwear association of Georgia can borrow the successful practice from Turkish-owned factory in Georgia, which receives marketing services from the head office in Turkey, and pioneer the practice locally. Thus, the association can create strong a marketing department staffed with professionals, who provide marketing services to local apparel factories. The establishment of such strong marketing department should be supported by the Government by providing financial support in staff training and in other areas.

The new marketing department should be involved in research and development, market analysis, competitors' analysis, and select adequate trade fairs and provide industry news on weekly basis to all factories. In addition, the marketing personnel should identify suitable geographic markets for local manufacturers. However, for this to happen, local factories, the apparel and footwear association of Georgia, and the Government of Georgia should ensure effective communication amongst themselves.

The apparel and footwear association of Georgia needs to become attractive for Turkish-owned local factories as well, through Government support, and make them members of the association so that they can share their experience and knowledge among local factories.

*Establishing market linkages locally and internationally* - The apparel and footwear association of Georgia should also work with Tbilisi fashion week to create links between talented local designers and manufacturers, with the aim to facilitate local mass production. This link will aid in creating better linkages internally that will engage both local designers and local

manufacturers in domestic mass production, which is being slowly developed under Georgia's Government attempt to facilitate local production in all fields.

In addition, the association should provide a platform for setting the apparel industry quality standards, for creating strong market linkages with the potential buyers both locally and internationally, and facilitate the advancement of the apparel industry.

# 3.3 Recommendations for the Government of Georgia (policymakers)

Constant communication and feedback cycle - Noticeable constraints have been identified due to the shortage of supporting actions from Georgia's Government. This is mainly attributed to the absence of robust communication structure between the Government and the apparel industry representatives. To address this deficiency, the Government needs to develop a strategic plan to stay informed of the key challenges within Georgia's apparel industry that hinder the development of the sector. The platform can help to prioritize issues which are the key in the light of data tsunami. In that regard, the Government can use "data collection form" or survey, which can be distributed among the apparel industry representative and all other units involved in the apparel sector development. In addition, the Government can use robust, continuous feedback and information exchange between the Government and the apparel industry representatives. That will help to gain better insight into the industry, understand its needs and design adequate actions.

The role of the national policymakers is vital. Ineffective communication between the Government of Georgia and Georgia's apparel industry representatives creates a knowledge gap among the policymakers on the real needs of the apparel industry. Consequently, it results in the absence of a strong national policy and the lack of strategic actions from the Government side. Therefore, policymakers need to have the comprehensive understanding of the environment and design the actions accordingly with measurable goals. Such healthy communication cycle will ensure value creation process which is grounded in the combination of several factors such as: effective communication at all levels, constant feedback cycle and adequate action for being responsive and consequently profitable.

The healthy intervention and support of the national policymakers are imperative in the formation of sustainable marketing strategies in clothing and textile segments. Such support is particularly relevant for developing countries and for those industries at the nascent stage of development, as is the local apparel industry. There is a need for a stronger support from the policymakers to enhance the advancement of marketing culture and general competitiveness of Georgia's apparel industry.

Value - enhancing communication is an essential condition for making the apparel industry competitive and profitable. The effective communication structure should create strong links

among manufacturers, fashion designers, the apparel and footwear association, vocational educational training providers, and the Government. Without healthy cooperation and communication among these units, Georgia's apparel industry will not be able to become competitive.

Facilitation of local mass production - Currently the Government of Georgia focuses on the export promotion, which is less successful due to several issues, among which the shortage of skills is the most sensitive. Therefore, domestic expansion and local mass production should be encouraged and promoted as well, since it will help local factories to better master the skills and generate more profit. However, both approaches require skills development through training of professionals in marketing, communication, product development, commercial activities, negotiation and establishment of industry standards. Such trainings will deliver value to the to the apparel industry by ensuring more knowledgeable and skilful staff capable of responding to changing market needs. This in turn, will ensure the profit surge.

*Improved linkages with the apparel industry representatives* - The Government of Georgia needs to listen to the apparel industry representatives, ensure their voices are heard, and adequate actions are undertaken in order to minimize the challenges. For example, the Government should work closely with the apparel and footwear association of Georgia to become well aware of industry needs, allocate adequate support in the most sensitive areas like the shortage of finance and human resources. Such close collaboration will deliver value to the apparel industry by eliminating the shortages and constantly introducing improvements.

Easy access to finance - The research findings demonstrated extremely high interest rates on business loans that discourage local manufacturers from investing in staff training or other relevant activities. Therefore, to address these limitations the Government should act as a facilitator between the financial institution and the apparel factories, to enable manufacturers to obtain loans with reasonable interest that will facilitate investing in staff training, machinery and other concern areas in need of immediate resolution. Again, this practice has successfully been realized by the Turkish Government, in support of the apparel industry development.

Tax advantages for the apparel industry development - The Government of Georgia can share the experience of Turkey which has turned into a key manufacturing hub. For the last ten years, Turkish apparel manufacturing has seen successful development due to supportive actions undertaken by the Turkish Government. Amongst many important actions was a tax exemption for ten years for the apparel factories to facilitate the development of the industry. Similar tax exemption in the local context will deliver value and facilitate the advancement of industry.

Strategic marketing plan - The Government of Georgia together with the apparel and footwear association of Georgia, needs to ensure effective international marketing of the apparel industry to brands, retailers, and potential investors, to craft a reputation as a quality producing country. The cornerstone of this plan should be the combination of qualified staff and favourable conditions, since the existing conditions fail to meet the expectations, especially without skilled staff. However, the presence of qualified staff requires firm level technical assistance for all local factories to address the existing efficiency shortfalls. Such assistance implies strategic workforce development that should be organized by the apparel and footwear association of Georgia and the vocational education providers, with the financial support of the Government and financial providers. The involvement of all related parties is essential for Georgia's apparel industry. Such holistic approach will deliver value to the industry enhancement process and make the apparel industry more competitive and profitable business.

Major takeaway for the policymakers

Create effective communication platform to be constantly aware of the apparel industry needs and design tailored actions in support of the industry advancement.

Facilitate local mass production

Ensure financial support and tax advantages.

## 3.4 Recommendation for the Vocational Educational Training Providers - VETs

Skills shortage has been identified as one of the most detrimental factors to the positioning and competitiveness of Georgia's apparel industry. Therefore, vocational education training (VET) providers need to offer technical firm-level assistance aimed at strategic workforce development in compliance with the apparel industry needs. VETs also need to ensure continuous professional educational workshops to share information on the global industry trends, competitiveness, international quality assurance/quality control and social compliance requirements and quality control testing.

For better training results and superior alignment with the apparel industry needs, the vocational education providers should maintain effective communication with local manufacturers and the apparel and footwear association of Georgia. The VETs can use data collection form to determine the concern areas in terms of skills development and make accurate training needs assessment, which will provide the basis for designing adequate syllabus. Identification of training needs is the cornerstone for successful training, otherwise the VETs face the risk of investing in wrong programs that would fail to deliver benefit.

Another marketing type of training must be aimed at creating awareness of the importance of customer/market focused orientation, on the role of product managers and customer representatives, in terms of managing orders and establishing beneficial relationship with clients/buyers. This is currently detrimental for export-oriented Georgia's apparel industry.

As outlined above, due to budget limitations such training should be organized by the apparel and footwear association of Georgia and the VETs, with the financial support of the Government and financial providers. More importantly, all training should be evaluated continuously in order to assess its impact in terms of actual performance and if required repeat training for the best results.

#### 4 Research limitations

The researcher came across several constrains during the research process that needs to be viewed together with the recommendations. These are:

The first limitation is that the outcome of the research heavily relied on the disclosure of accurate information, which is problematical to distinguish from false information.

The second limitation is that the research covers only apparel industry hence the results cannot be fully generalized to industry as a whole. However, in view of common weak marketing background and post-Soviet mindset, consideration of particular sector characteristics will minimize this limitation.

The third limitation is that although the apparel market is small in Georgia and the selected factories are the best case representatives of all factories, the results cannot be generalized to other factories because each can have its own individual factors that affect the functioning of the existing marketing intelligence model.

The fourth limitation is that the researcher found herself in an environment where the apparel industry actors blamed each other for the existing problems, rather than looking for common approach and solution. Despite small Georgian apparel market, the factories view it as a competitive market where disclosure of any information may affect their competitive position. Therefore, the researcher found some respondents reluctant to talk extensively about the internal problems that fully describe their weaknesses and the depth of problems. Particularly, disclosure of financial data was problematic, since only banks are required to disclose their financial statements in Georgia.

The fifth limitation of the present research is that only several hindering factors were considered within the present research, assumed by the researcher as detrimental to an effective functioning of the existing marketing intelligence model and the competitiveness of Georgia's apparel industry. However, in post-Soviet environment, there could be more factors that could be considered in future in order to eliminate the challenges in Georgia's apparel industry.

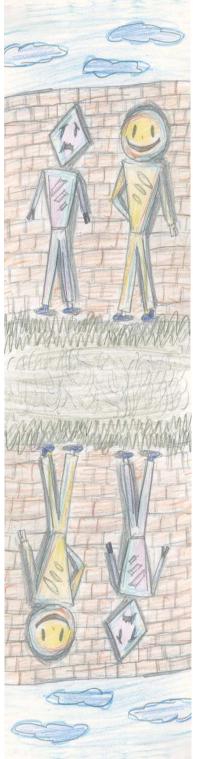
In view of the particular nature of each factory in post-Soviet Georgia, with is still characterised by old ways of judging and doing business, the accuracy of disclosed data cannot be verified. In addition, the study could not address all the issues affecting the malfunctioning of the existing marketing intelligence model. Therefore, generalization of the findings is arguable.

#### 5 Research contribution

Arguably, this is the first research in the field of the apparel industry in post-Soviet Georgia, therefore it contributes to literature by broaden knowledge on how marketing intelligence model works in developing countries with poor marketing background. The proposed model can contribute to enhancing the competitiveness of the apparel industry and increasing responsiveness to global apparel market needs that will foster growth and profitability. If implemented, the findings of the research will also have significant impact on the Government policy and general industry practice.

# **INFORMATION ABOUT THE AUTHORS**





**Dina Aslamazishvili:** Candidate of Philosophical Sciences, Professor, Research Group Member, Business School, Georgian American University (GAU)

Michael R. Cowgill: PhD Candidate Business

Administration – Management, President and Cofounder Georgian American University (GAU)

Tinatin Zeragia: PhD Candidate Business

Administration – Management, Business School

Lecturer, Georgian American University (GAU),

Business Banker, TBC Bank

Ekaterine Nadareishvili: PhD Marketing, Professor,
Research Group Member, Business School, Georgian
American University (GAU), HICD and
Communications Lead, USAID Energy Program

**Ekaterine Gogia**: MBA, IT Project Manager, Bank of Georgia

Illustrations by Mariam Aslamazishvili©

