

CREATION OF INNOVATION CLIMATE FOR IMPROVEMENTS AND INNOVATIONS OF THE BUSINESS PROCESSES IN THE MACEDONIAN COMPANIES

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ABSTRACT

This paper presents several principles and strategies which will assist Macedonian managers to build the management, which would further on participate in designing and implementing the system of quality so that they would more easily accept the changes and incorporate within the flows of market business where the quality of the service is crucial in gaining customers. It should be stated that the benefits of the implementation of these strategies cannot be seen immediately but after a longer period of time. Nevertheless, that should not be a reason to recall initial initiative since the quality of the product/ service is a long term process. The benefits of the application are merely to increase the dedication of the top management and the employees to improve the processes but also the satisfaction of the customers, employees, the stockholders, the suppliers, the community as well as the increase of the business results of the Macedonian companies which will serve as a motor force for continuing improvements.

Key words: system of quality, TQM, innovation climate, education and motivation, strategies

INTRODUCTION

For the application of the strategy TQM (Chepujnoska, 2009) in the Macedonian companies there are certain changes that need to be made such as 'the awareness for the quality of the product/ service which needs to be present at all times in the top management, and then also with the employees. The awareness for the quality of the service is created through many motivational activities (McHenry & Husvik, 1997):

- developing the ability of awareness in each employee that the quality of the product/ service is crucial for the sales and consequently the business results depend on the sale itself;
- each employee to realize that they and the position they hold have a significant influence on the quality of the product/ service;
- to show each employee that their idea for improvement and innovation will be implied because it's important;
- to introduce a system for promotion and rewards for the achieved results.

Many top managers are able to recognize the creativity of their employees, their potential to create ideas for new business opportunities but they do not, as managers, succeed in creating the climate, training and the process for those ideas to be realized (Dessler, 2003). In this way, they unconsciously suppress the creative potential of their employees. A more efficient and productive way, if looking into the future, is through the encouragement for innovations for improvement of the properties of the products and the processes.

CREATION OF INNOVATION CLIMATE FOR IMPROVEMENTS AND INNOVATIONS OF THE BUSINESS PROCESSES

The road to perfection of the companies (EFQM, 1997) goes through implementation of improvements and innovations of the business processes, creation of innovation climate by the management with a purpose to encourage each individual for creative thinking and original solutions. The main creator of the innovation climate is the top management, which has to be innovation enthusiast, to be innovative itself – to think outside the stern patterns of business and to be open for new ideas, to be prepared to take risks and to provide with all the necessary resources for realization, to be able to listen to, encourage and support the employees, to trust them and to be tolerant to possible failures and mistakes.

The Macedonia managers evaluate the obstacles in the process of introduction of the system for quality and those most often are (EFQM, 1997):

- the monopoly of certain companies;
- the style and the culture of the management;
- highlighting the particularities;
- affinity to improvise;
- thinking that there is always someone else who is responsible for the problems;
- the opinion that the system of quality destroys creativity;
- the opinion that the quality is expensive and it is a luxury;
- the opinion that the quality is acquired through control;
- the fear of changes–status maintenance – quo;
- the mentality, laziness and shallowness - we do not have the time for that.

The analysis of the practice show that the Macedonian companies (Mitreva, 2010):

- show little concern for the quality;
- not enough attention is paid for the continuous education;
- do not invest enough in innovation;
- only a small number of companies have a system of quality;
- little concern is paid for the employees, the buyers, the suppliers and the community;
- there is poor implementation of SPC (statistics process control);
- work with large expenses;
- team work is considered returning to the past;
- lack of macro climate for the development of the quality in R.Macedonia;
- lack of motivation for the development of the quality in the companies;
- poor implementation of information technology in the process of production;
- to obtain a certificate under any cost;
- no strategy planning and effective managing (there is usually one person for many positions).

To summarize, re-engineering is necessary in the Macedonian companies. For that purpose we herewith suggest principles and strategies for the improvement of the communication and the encouragement for creativity of the employees in the Macedonian companies (Mitreva, 2010).

The contributions that are to be expected not only do they have an educational character but also their practical implementation will lead to an increase of the effectiveness and productivity of the Macedonian companies and their sustainable development. Without active participation of the top management and their dedication and determination there will be no changes since all starts and ends with the top of the management.

PRINCIPLES AND STRATEGIES FOR THE IMPROVEMENT OF THE COMMUNICATION AND ENCOURAGEMENT FOR CREATIVITY OF THE EMPLOYEES IN THE MACEDONIAN COMPANIES

Motivation is an obligation of the top management, and for that reason they are required to always search for appropriate stimuli for more effective and productive work of the employees in the different levels in the organizational structure.

Motivation of the top management are the business results of the tourist company presented through the continuous and high profit, the ratings, the turnout, the technological development, the working quality, the good business relations, etc.

For the manager of quality, motivation is an introduction of the system for providing quality in accordance with the standard ISO 9001:2008, especially if that sign has an international verification.

For the managers of tactical level motivation is: effective managing of the business processes within optimal expenses and increase of productivity.

For the employees there are several ways through which the managers need to improve the communication and encourage the creativity (EFQM, 1997).

- 1) *Encouragement and positive criticism for new ideas.* When a new idea is presented, the normal reaction usually is to criticize it and find its weaknesses. New ideas are mostly half-way defined so they can easily be rejected. They are usually far from the focus of our activities and we quickly reject them. But, there are no bad ideas. Bad ideas are most often the initial point to get to good ideas. Each company is in need of many bad and crazy ideas, because in their frame there is a concept which can further be processed and adjusted to become an innovation that actually works. Every time one approaches with an idea that has been criticized by the supervisor, returns discouraged for further creativity. This sends a bad message that new ideas are not needed and every person that voluntarily comes forward with one, risks to be criticized or even mocked.
- 2) *Making a practice of the Brainstorming meetings.* For many companies brainstorming is old-fashioned and left in the past, but good brainstorming activities are one of the best ways to create fresh new ideas and actively include all the employees from all levels. If the companies do not have brainstorming meetings for finding creative solutions for problems, they are missing out on the opportunity for new ideas. Brainstorming meetings should be short and energetic, with a clear focus and creating a field for a large number of ideas. These meetings should be supervised by someone who possesses great enthusiasm and helps the others to present their ideas and also prevents initial criticisms and judgments.
- 3) *Reducing the problems by including the employees in the process of bringing decisions.* In most instances, it is the top management that takes the responsibility for dealing with the problems. The strategic problems are too complicated. On the other hand, the employees of the lower scales of the hierarchy are closer to the processes and the buyers themselves and can see the problem. If they are to be actively included, and should they be given the chance and the challenge to help find the solution, they can turn out to be a rich source of ideas and they will get the feeling of being useful and that their work is respected. Much better decisions will be made and the employees will much easily accept initiative to participate in solving the problem.
- 4) *The advantage of the innovations over the effectiveness of the business processes.* It is understandable for the managers to focus on an existing business process to function better. Each process can be improved only if considerable attention to improve things is paid and there always exists the risk to miss on a chance to do the things differently, which is the essence of the innovations. The existing processes must be improved and new methods and

techniques are always required to be applied in order to improve the performances of the services.

- 5) *The control of the overtime work.* In the tourist companies, following the road of effectiveness there usually are many overtime working hours and hard work. The belief that the hard work will solve the problems is useless. The need to find different ways to solve problems is much more than working in the old way. The working day should contain time for learning, fun, thinking for something else, incredible ideas and trying out new initiatives. We should stop and try out different opportunities. As the creativity expert Edward de Bono says 'You cannot look in a new direction by looking harder in the same direction. If we are focused to do the things in the same manner as always, then it is impossible to find the time to try out a new way to achieve the goal.
- 6) *Flexibility in the realization of the plans.* The cooperative plans should be within a flexible frame, to be used as directives but not as detailed maps which the companies use to work. Unexpected changes in the process of working, new chances and experimenting have to be expected. The plans should not represent a shelter where the un inventive managers will hide. The tourist company that plans a lot and firmly sticks to that plan will only limit itself. The market and the needs of the buyers change rapidly which poses the question how accurate is our plan.
- 7) *To avoid the imposture of the feeling of guilt.* To impose the feeling of guilt due to failure is a certain way to cease the business spirit. Many projects for innovation will not succeed but they are worth the time spent because if they have not been tried out it cannot be determined whether they are useful or not. Thomas Alva Edison had many failures in his experiments which resulted in the invention of the light bulb. When asked how he dealt with the failures he said that they made him think in a different way.
- 8) *Creation of a system for rewards.* There are different kinds of stimuli required for the team that leads the innovation project. The team should be rewarded by the accomplished points. The members of the team should be treated as entrepreneur and to be given the chance for action. If our rewards are structured in that manner, only the positively structured services and works will be rewarded, in which case the chances to start new business processes are slim.
- 9) *To prevent giving innovation projects to the production units.* The new services are delicate and vulnerable and should be given special attention until they become stronger and get the control. Every operative manager is too occupied fulfilling the monthly requirements and goals, so that they are not able to pay enough attention and energy to the new service. The best way is to put the new innovation in an incubator for innovations, in a special department. This department has other tasks and goals, works under different rules, and there is usually a manager for innovations that has the required strength and tends to have at least one successful and to learn from the ones that were unsuccessful.
- 10) *Training of the personnel.* With an adequate training, people can develop the skill to observe, to brainstorm, to adapt, to combine, to analyze and to select good ideas. Each of us can be creative if one is encouraged enough and if the way how to do things is well presented. We are all creative, but our creative instincts get lost in the daily routine of work.

Five rules how to convince the employees and how to make an impact on them. To make others do what you ask them to do is art and a science that needs to be learnt if we want to succeed in his era of fast changes, team work, decentralized management and to do more than the seemingly possible. There are five rules that are based on our mentality, culture and deeply rooted needs and urges of people.

1. The principle of affection: Love the people to be loved back

To show the employees that they are liked because people like to show affection and to comply to our needs.

There are two strategies for that, what needs to be done for people to like us.

Strategy 1: If we become an active listener we can find out what we like about the other person. The reality shows that we are all a mixture of strength, virtues and weaknesses and no extra energy is needed to find the good side in a person compared to the required energy to find the weaknesses. For this to succeed we need to focus our mental energy to stimulate the good things in people and to show them that. It is important to be sincere in the process because a great number of people have an inner lie detector and can sense that your words do not match your body language which will result in aversion and offence.

Strategy 2: To find something in common with the other party and to show that. The similarities enable positive relationships with others and create good will and confidence.

2. The principle of reciprocity: The more we give, the more we get

It may seem very simple but it is hard to perform. If we want more love, money or confidence, all should be given first in order to get it. If we want the members of our team to respect and trust us, to cooperate with us, we should behave in a similar way and we will receive more than our expectations. We might be able to discuss perfectly but if our words are not supported with concrete results, the members of our team will forget our words in no time and will show no interest of what we work and expect from them. The guilt is never imposed because of the failure of our team. All successful managers have understood well the principle of reciprocity and they have the habit to assign their merits to the others and to accept full responsibility when things go wrong.

3. The principle of loyalty: the possibility for the employees to do the things they are committed to is great

A very powerful strategy for the employees to do what we want them to do is: to stimulate the people to like us, to make them know that we have something in common and to shape their behavior in the way we like it. To achieve people to sign up for an activity voluntarily, to put that obligation on paper and to publicly declare it, will not only increase our capability to convince but that person will also have the obligation to fulfill it. The imposed, forced loyalty vary rarely works.

4. The principle of specialty: the possibility that the employees will accept the advice from the experts is great

The people that have the rightfulness of an expert in a given field have greater opportunity to convince others. For that reason, it is necessary to point out our specialty and make it visible, with an emphasis on our academic and practical achievements and recognitions and also presenting our rewards where they can be seen, and if we are part of the management to share our previous experiences and skills with the members of our team or with the buyers. This all can be effective only in an atmosphere where they would be able to see the specialty and the competence themselves, which will exclude the negative effects of boasting.

5. The principle of deficit: People tend to want the things they cannot have.

Whenever we see signs saying 'limited amounts' or 'buy now' are examples of the fact that we always notice what is less available and we consider it more valuable. If we are in a managing position, to increase the motivation of our team we most often make clear to the members that only the five best workers will be selected in a separate team, or that only those that will show certain level of completion of the task in a period of six months will be selected for training. Or, many more people will be interested to hear what we want to say if we make clear that our information is exclusive and hard to find.

How to make a step further?

To increase our possibility to convince and influence the employees these five principles should be used together, combining them. If we are really interested in the people we work with, we should find out what are their virtues and what do we have in common. That will help to give true compliments, to point out the similarity, which establishes the relationship and gives the foundation to qualify to convince and make an impact on them. While we listen to them actively, we should have in mind what we want to get from them. By showing admiration and interest in them, a sincere smile, an absolute trust, showing more energy and joy we can feel the reciprocity. When the others will find out how we have improved our personal and professional life and the lives of the people that have had similar problems that we can use the principle of specialty. We go forward, convincing the employees to commit voluntarily putting their obligations on paper and publicly announcing it.

CONCLUSION

The realization of an effective dialog with the employees is achieved through building an effective communication system. *The effectiveness of the dialog* depends on the readiness of the company to include the employees in the process of making decisions on every issue. The rules of team work which refer to respecting the individual, their character, experiences, knowledge, will lead to a more relaxed atmosphere, a constructive conflict, creative tension and enthusiasm and will enable the new approach for quality to be considered prime and implemented in every segment of the work of the company and by that an opportunity to introduce many new approaches.

The companies that have an organized ambience where the employees show and develop their potential and creativity, where the motivation is provided through an acknowledgement of their individual needs, the open communication channels in both directions as well as the democratic culture and climate, the conditions for more creative working, giving professional contribution and continuous improvement of the business processes and services are created, which leads to success.

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