



*Sekcija za upravljanje s  
človeškimi viri pri Gospodarski  
zbornici Dolenjske in Bele krajine*

**Velimir Srića**

***Spremembe v globalnem svetu & kriza  
& kreativnost & kadrovska funkcija***

**9. oktober 2014, Hotel Šport, na Otočcu**

# About me

## EDUCATION

- BBA - Business Informatics
- MS - Production Systems Management
- MBA - Columbia University, New York
- PhD - Management Information Systems

## EXPERIENCE

- Visiting associate professor, UCLA, Los Angeles, guest professor in Slovenia, Austria, PR China, B&H, Montenegro, Hungary, Dubai;
- The Club of Rome, World Bank expert for Change Management;
- Member of Croatian government, President Alps-Adriatic R&D Committee, President Zagreb City Assembly;
- CEO ZIH; Consultant to local and regional companies in management and IT management

## INSPIRATION



## PERSONAL STUFF

- Guitar, football, chess, tennis, poetry, film, travelling, literature



>60 Books



# Interesting Times...

---



May you live in interesting times

- In 2008 - the first global economic crisis
  - Jeffrey Sachs: the recession could last a whole generation, and not just five years, as believed by most politicians
  - The world leading 1,318 corporations control 60% of the world market
  - The 500,000 richest people in the world control 90% of the private wealth
  - In 2013 Oracle has spent 50 billion US\$ to buy 752 former startups
  - In 2013, 3,5 billion people are Internet users, they make for 93% of purchasing power
  - Top 13 construction projects in the Middle East amount to 470 billion US\$
  - The Creative Economy's annual trade value 624 billion US\$
- 



# The Creative Economy

---



- ▶ **John Howkins (2001)** - economic systems where value is based on **creative qualities** rather than the traditional resources (land, labor, and capital)
  - ▶ Creative economy occurs wherever **individual creativity becomes the main source of value**
  - ▶ The Creative Economy is one of the **most rapidly growing sectors** of the world economy; world trade of creative goods and services totaled **US\$ 624 billion**; **more than doubled** from 2002 to 2011
  - ▶ **Most startups** are IT and CE related
- 



# The Creative Society

---

- ▶ There is a pressure to change everything:
  - ▶ **Institutions** (democracy, market, corporations, education...)
  - ▶ **Culture** (values, e.g. harmonious instead of disharmonious, cooperation vs. competition...)
  - ▶ **Leadership** (win-win, innovation and creativity, multicultural...)
  - ▶ **Infrastructure** (nanotechnology, crowdsourcing, crowdfunding, bitcoin, social networks, Big Data, cloud...)



# Sources of Competitive Advantage

---

- ▶ Small and imature: **Resource Management** (money, raw material, plant&equipment, people, knowledge...)
- ▶ Developed: **Process Management** (ISO standards, ERP, best practices...)
- ▶ Sophisticated: **Organizational Culture** (leadership, creativity, communication, conflict management, teamwork...)



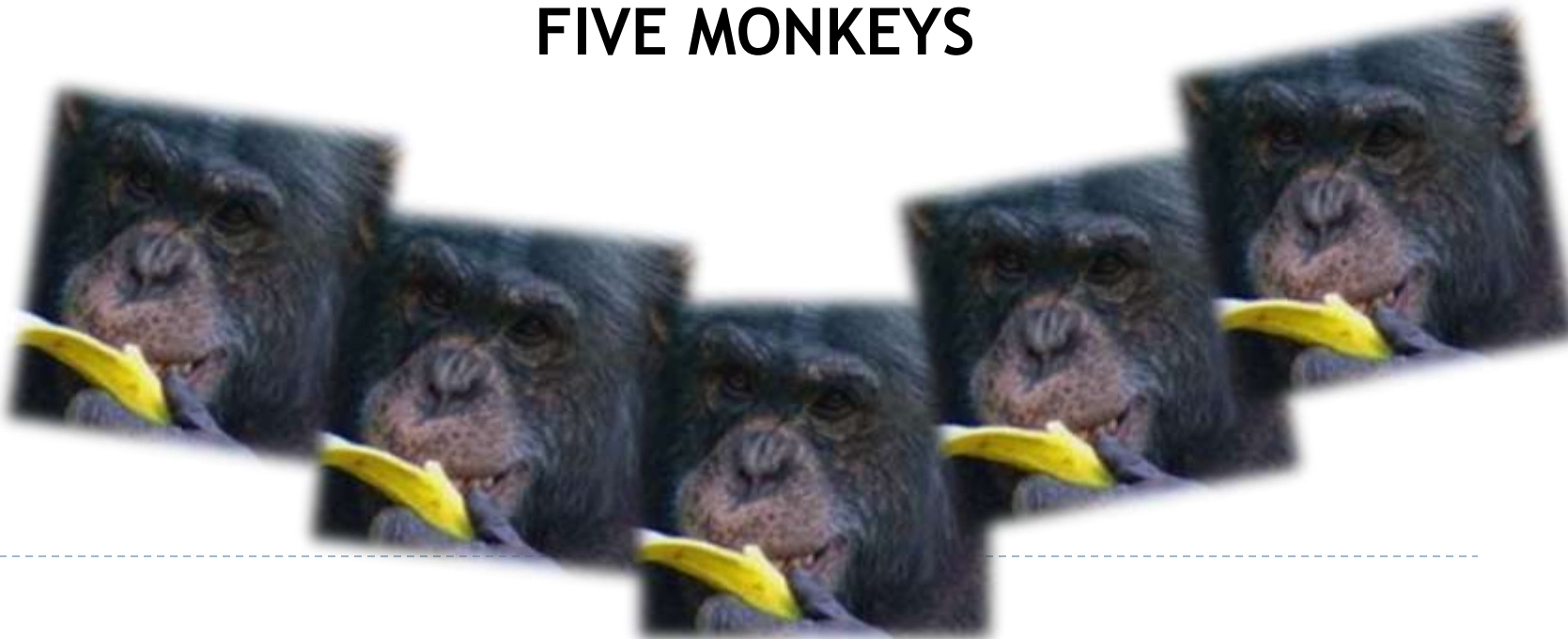
# Why Culture?

---

We cannot solve our problems with the same thinking we used when we created them

*Albert Einstein*

## FIVE MONKEYS





# Global Value Changes

---



▶ Big systems in transition: Capitalism and democracy need fundamental reforms (“refolutions”?)

- Jeffrey Sachs

▶ Demise of hierarchies: The corporation as we know it, is not likely to survive the next 25 years. Legally and financially yes, but not structurally and economically.

- Peter Drucker

▶ All institutions are changing: Banking is necessary, but banks are not!

- Tom Peters

---



# Business Value Changes

---

- ▶ All marketers are liars. Their only goal is to tell a good story!

- Seth Godin

- ▶ Growth and profit, GDP or happiness index?

- Joseph Stiglitz

- ▶ There are only three things a good manager must measure:

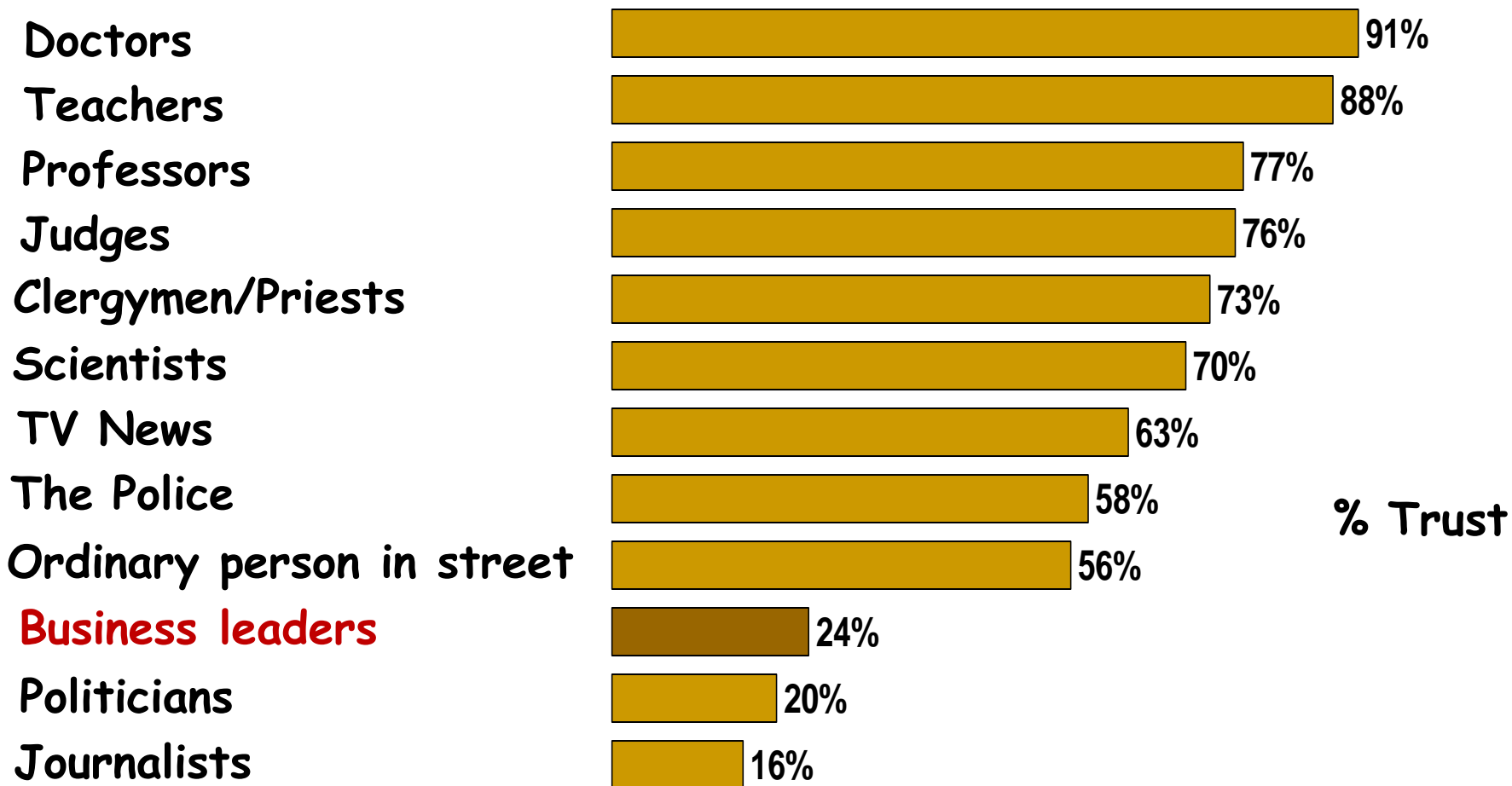
- ▶ Customer satisfaction
- ▶ Employee satisfaction
- ▶ Cash flow

- Jack Welch



# No Trust in the Integrity of Business

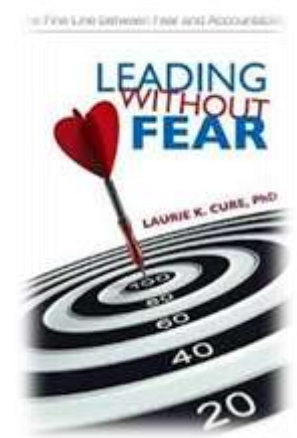
Question: Who would you generally trust tell the truth?



Base: 2,017 EU adults aged 15+,

February 2008 Source: MORI/BMA

# The Corporation



- The corporation as we know it, which is now 125 years old, is not likely to survive the next 20 years. Legally and financially yes, but not structurally and economically.

- *Peter Drucker*

- It is still based on the same principles established by Taylor, Fayol, Max Weber... intended to make people do repetitive, boring and tedious jobs in times of early industrialization!





# The Old Corporation

- Organization based on fear
- Hierarchies, cubicles, pigeon holes, SOP's...
- Bosses and teams are appointed by senior management
- Only bosses are responsible, the goal attainment is based on command and control
- Control is imposed
- Leaders are “disharmonious”





# The New Corporation

- Instead of organizations based on fear: **Organizations based on love and harmony**
  - Instead of hierarchies, cubicles, pigeon holes, SOP's: **Self-organized teams, based on friendship, partnership, common vision, mutually agreed values...**
  - Instead of bosses and teams appointed by senior management: **Boss is the person who calls the meeting and people show up, teams are self-selected**
  - Instead of bosses being responsible, the goal attainment based on command and control: **Everybody is responsible; nobody is allowed to give orders**
  - Control is imposed: **it relies on self-control and corporate entrepreneurship**
- 
- Leadership becomes “harmonious”



# It's Hard to Change

---

- What is human capacity for change?
- Change or die  
- Alan Deutschman
- We are all for change, but...





# Leaders = Change Agents

- Management - rational and conflict-oriented
- Leadership - emotional and harmonious
- Why are leaders important?



# Leaders Bring Change in Values

---

- ▶ Harmonious leaders
- ▶ Harmonious teams
- ▶ Harmonious strategies
- ▶ Harmonious economy
- ▶ Harmonious society
- ▶ Sustainable growth...
  
- ▶ Values mean behavior



# Learn or Unlearn

- Nan-in Story: The problem is never how to get the new, innovative thoughts into your mind, but how to get the old ones out!
- “If you want a paradigm shift, it is not enough for the old professors to retire; they must die!” (Tom Peters)



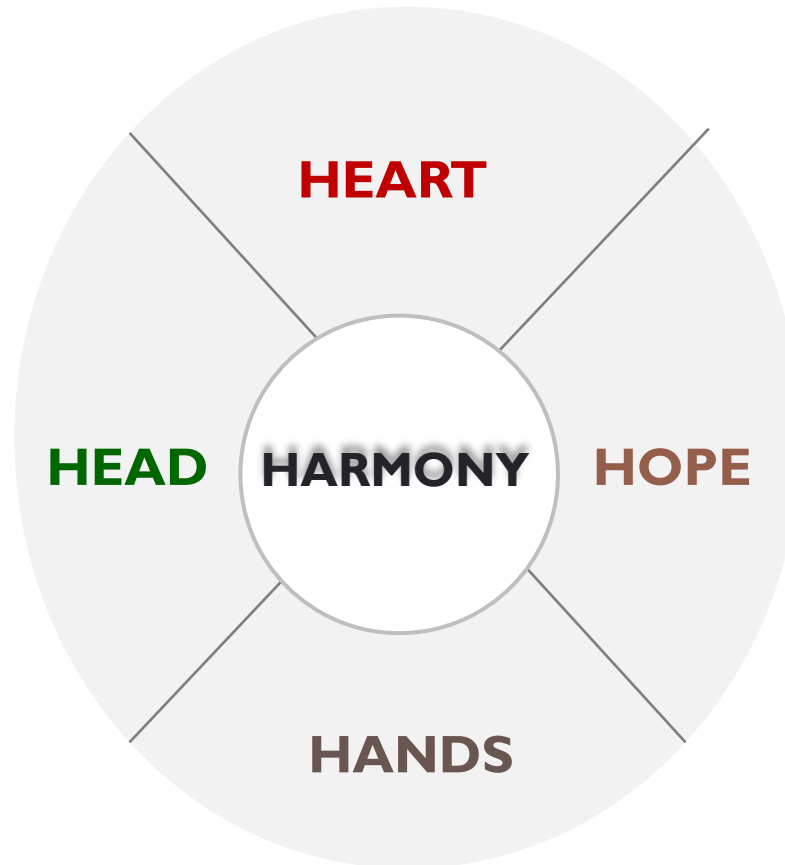
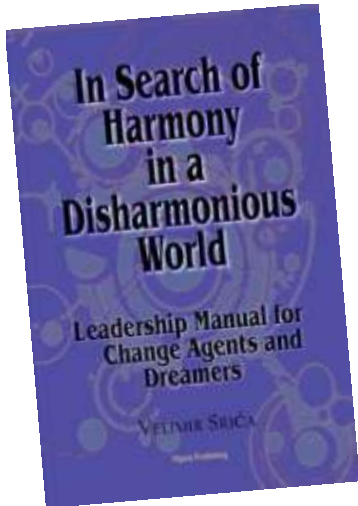
# Need for New Values

---

- ▶ The actual business and political world calls for **new values** and different **leadership**
- ▶ It primarily means a new and different **organizational culture**
- ▶ New organizational culture should be based on **harmony**
- ▶ Who is responsible for building and sustaining such organizational culture?
- ▶ **The harmonious leaders!**

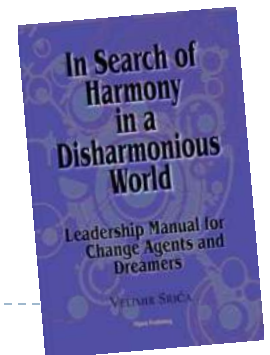


# The Five H's



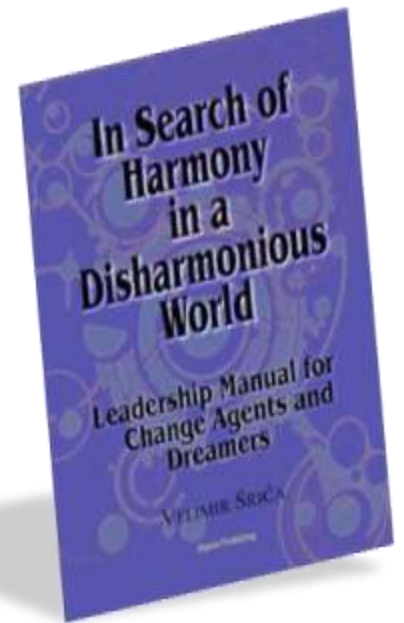
*In Search of Harmony in a Disharmonious World*  
*Leadership Manual for Change Agents and Dreamers*  
Algora Publishing, New York, 2014.

# The Model



# A Few “Harmonious” Ideas

- Strategy by consensus
- **Organizations based not on fear but on harmony**
- Reversed pyramid
- Workers evaluate their bosses
- No titles, ranks or positions
- Employees can say “No”
- Each person “creates” his workplace
- Self-formed (organic) teams



# The Education Challenge

---

- ▶ MBA (Master of Business Administration)
- ▶ or
- ▶ MBI - Master of Business Innovation
- ▶ MCM - Master of Change Management
- ▶ MHL - Master of Harmonious Leadership





# Shift in Business Goals

- Profit
- Market share
- Growth
  
- Satisfied employee
- Satisfied client
- Sustainable growth
  
- Happy stakeholders and environment
- Overall harmony



# Harmonious Values

---

## ▶ INTEGRITY

- ▶ Tell the truth
- ▶ Keep your word
- ▶ Take responsibility
- ▶ Admit mistakes
- ▶ Win the right way
- ▶ Be Harmonious

## ▶ INTELLIGENCE

- ▶ A combination of intellectual curiosity and knowledge

## ▶ MATURITY

- ▶ Respect the emotions of others
  - ▶ Handle stress
  - ▶ Enjoy life with humour, joy and humility
- 



# Harmonious: Say What You Mean!

---

- ▶ Lack of candor is the dirtiest little secret in business (J. Welch)
- ▶ Too many people don't express themselves with frankness
- ▶ They withhold comments or criticism, they sugarcoat bad news, they shut up in order to avoid conflicts



# Why Is Candor Good

---

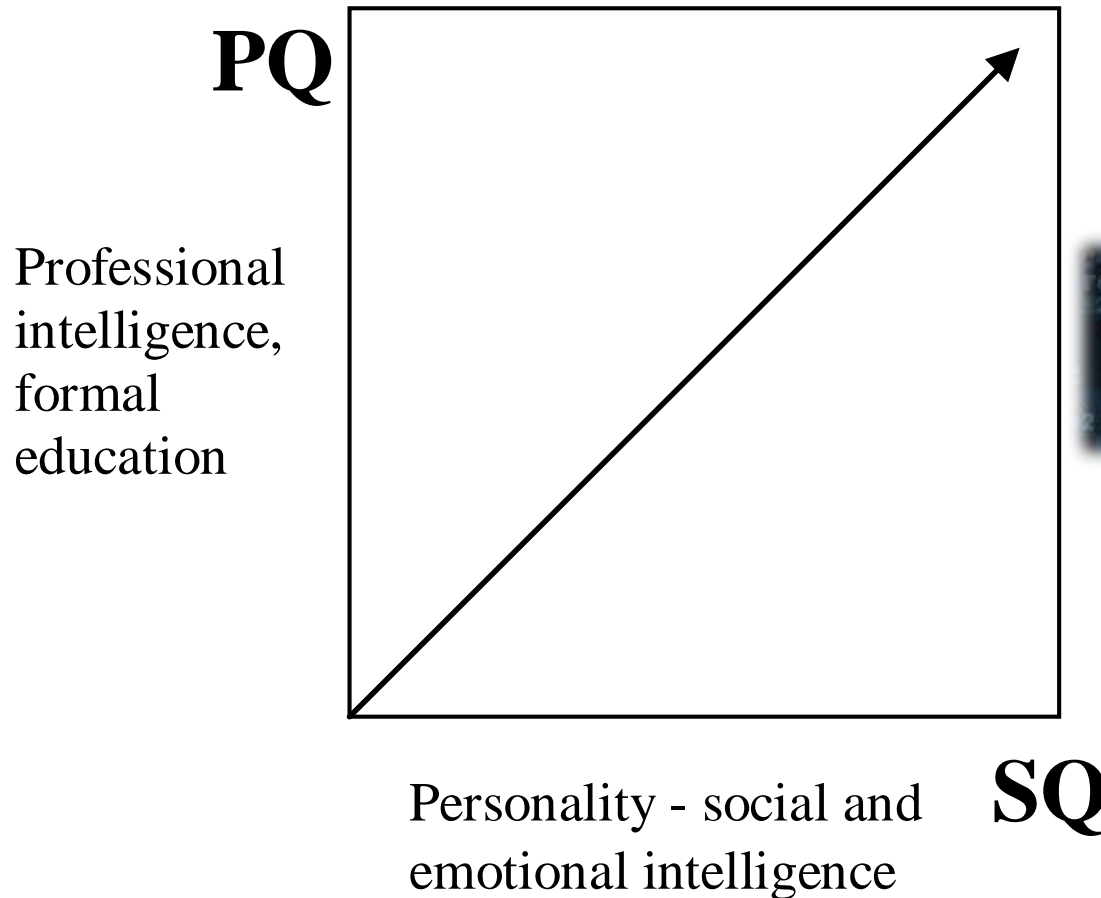
- ▶ It gets more people to conversation and brings more ideas
- ▶ It generates speed
- ▶ It cuts cost by eliminating meaningless meetings and reports that say what everybody already knows
- ▶ It helps problem solving

“Telling the truth and making someone cry is better than telling a lie and making someone smile.”  
-Paolo Coelho



# Harmony: Professional - Personal

---



personal and professional development



# Workplace and Life Harmony

---

- ▶ Startups lesson: integrate the place where you work, live and play
- ▶ 80% of business failures take place not because we fail as professionals, but because we fail as humans
- ▶ You are more than your work
- ▶ Trust or envy?
- ▶ Competition or cooperation?



# Hire for Attitude...



Old paradigm
<b>FORMAL EDUCATION</b>
<b>DILLIGENCE</b>
<b>OBEDIENCE</b>
<b>INITIATIVE</b>
<b>CREATIVITY</b>
<b>PASSION</b>



New paradigm
<b>PASSION</b>
<b>CREATIVITY</b>
<b>INITIATIVE</b>
<b>FORMAL EDUCATION</b>
<b>DILLIGENCE</b>
<b>OBEDIENCE</b>

# New Organizational Culture

- Harmonious relationships
- Endless creativity
- Inspirational environment
  - Organizations based on love
  - Ideas compete on equal footing
  - Multiculturality
  - Tasks are selected, not administered
  - Authority is not based on position
  - Team structure is natural, not imposed
  - Teams are self-organized
  - Leaders serve
  - Resources are attracted and not budgeted...

*IT CAME FROM THE  
INTERNET!*





# Win-Win Attitude

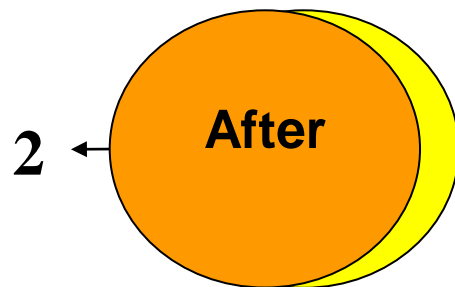
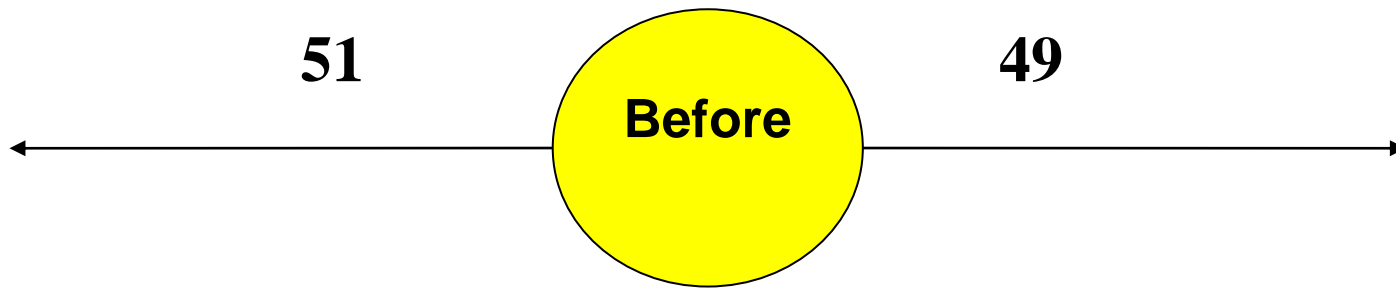
---

- ▶ Little Prince and a King
- ▶ Are you ready to give up on your proposal, I'll give up on mine, in order to search for a proposal which is better than either of ours?



# Seek Consensus!

---



# Kaizen Mentality

---

- ▶ It is no good. We have to change it!
- ▶ It's good, but can be better!

改善

Kai = Change    Zen = Good

---



# Catch People in What They Do Right!

---

- ▶ Thrill me!
- ▶ Knock me off my feet!
- ▶ Do it as good as you can, and better!
- ▶ The sky is the limit!
- ▶ Think positive!



# Harmony = Cultural Diversity



- Culturally-diverse teams can work better with increasingly culturally-diverse customers, suppliers and partners
- Culturally-diverse teams may stimulate more productive ideas and solutions
- Cultural diversity can bring a new dynamic to the work atmosphere - energising, motivating and enriching



# Harmony Is



COOL

## INFORMATION SOCIETY



## COOL SOCIETY

TECHNOLOGY

RATIONALISM

PRAGMATISM

PHISICAL COMFORT

REAL CAPITAL

RATIONAL INTELLIGENCE

EMOTIONS

STORIES

VALUES

SPIRITUAL COMFORT

INTELLECTUAL CAPITAL

EMOTIONAL INTELLIGENCE

# Cool Corporation - Love and Harmony

- Leadership and management is all about love. Passion, Enthusiasm, Appetite for Life, Engagement, Commitment, Great Causes, Determination to Make a Difference, Shared Adventures, Bizarre Failures, Insatiable Appetite for Change...
- Otherwise, why Bother?

- *Tom Peters*



# The Old and the New

---

- ▶ Managers
- ▶ Conflict, Competition
- ▶ Rationalism
- ▶ Profit
- ▶ Pragmatism
- ▶ Hard Intelligence
- ▶ Efficiency
- ▶ Capital
- ▶ Structures
- ▶ Resources
- ▶ Organizations
- ▶ Control
- ▶ Outcomes...
- ▶ Harmonious Leaders
- ▶ Cooperation, Harmony
- ▶ Emotions
- ▶ Sustainable Growth
- ▶ Values
- ▶ Soft Intelligence
- ▶ Quality of Life
- ▶ Human Capital
- ▶ Processes
- ▶ Organizational Culture
- ▶ Networks
- ▶ Trust
- ▶ Meaning...



---

▶ THE “NEW” CONCEPTS ARE HARMONIOUS



# Lessons for the HR?

---

- ▶ Focus on organizational culture and values
- ▶ Leadership is the key (build new leaders)
- ▶ Focus on creativity, innovation, change
- ▶ Hire for attitude, train for skills
- ▶ Sustainable development, harmonious growth
- ▶ Candor, assertive communication
- ▶ Build cool organizations
- ▶ Build multicultural teams
- ▶ Optimism is the force multiplier!



# A Few Personal Examples

- [SMS Parking](#)
- [Sljeme](#)
- [Infobip](#)
- [Rimac Concept Car](#)
- [Tetsuya Kaida](#)
- [Split Ultra Festival](#)
- [Teddy the Guardian](#)
- [Startup Croatia 2014](#)



# Comments, Questions, Suggestions?



[vsrica@efzg.hr](mailto:vsrica@efzg.hr)

[www.velimirsrica.com/en/](http://www.velimirsrica.com/en/)

[velimir@velimirsrica.com](mailto:velimir@velimirsrica.com)