

Management

Creativity and Innovation in Business and Education

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DOES A CREATIVE LEADER DEVELOP SUCCESSFUL ORGANISATION? – THE WAY OF LEADING BY RICHARD BRANSON

ABSTRACT

To become successful on the competitive market it is essential to be creative and innovative. Richard Branson is a charismatic leader who can be inspiration for others. His leading style is controversial however he manages his organizations successfully. In the article the rules for success by Richard Branson are described. His way of leading can inspire younger leaders to try his method of managing.

Keywords: leadership, creative, innovation, Richard Branson, The Virgin Group, success

1. INTRODUCTION

There are many organizations on the market representing different managing styles and different business models. Innovation and creativity has become a crucial element in the market competition. The aim of this article is to show how important it is to be innovative to compete with others. The innovative environment is presented in the first part of the article. This part describes the competitive rules and highlights the role of innovation. In the next part the role and the features of the creative leader are described. The final chapter reveals the way of leading an organization by Richard Branson.

2. INNOVATIVE ENVIRONMENT

Innovations are understood as „something new”, „something that did not exist before”. Innovation is associated with positive and desired state (Kozłowski 2014: 362). Organizations try to be attractive on the market filled with other competitors.

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For many years the companies and the business people are encouraged to compete. It is said that this competition will result in pointing out the better ones and the resources belonging to the weaker ones will be obtained by the stronger ones (Trompenaars 2010: 212). It is not enough to offer a good product or to be a good leader. Many companies offer good products and employ qualified staff. So why do some companies achieve a great success while the others lose their position on the market? In the world of today we need to compete all the time. The market is overcrowded by competitive entities. More and more people aim to become better and better educated, they try to learn as much as possible and get as much experience as needed in order to be competitive on the employment market. On the other hand the products which are offered become more advanced and more sophisticated. Therefore creativity becomes crucial in the working space. To be better than the others on the market, one needs to exchange ideas and come up with new solutions. Furthermore, the teamwork is crucial. Team members should be properly chosen – to follow the vision of the leader. They might have different opinions – it will help the company to stay ahead of the curve. Some organizations create cross functional teams which go beyond traditional limits – the members of the team should differ from one another in order to confront different behavior and different thoughts (<http://www.forbes.com/sites/theyec/2012/12/31/6-ideas-to-promote-innovation-in-your-workplace-this-year>). The most important thing is to remember about creative and friendly work atmosphere where everyone feels like at home and everybody has the same goal. Sharing experience and skills within the team is a positive way to wake up the team spirit and motivate the group. The business activity is getting changed because of new technologies, the easy access to the same source of information, more individual requirements and expectations (Krawiec 2009: 210). We all belong to one network of mutual interactions when it comes to information, people, ideas, products, services, safety and the peace. To follow all the market requirements one needs to be creative. It is said that the human being uses less than 10% of his potential, including creativity (Szaban 2007: 413). To think creatively we need four elements:

1. One needs to know what he wants to achieve, to know the goals, the problems and to understand the possible difficulties in finding the solutions.
2. One has to concentrate on the accurate issues or problems and not to think about everything in one moment.
3. One needs to be ready for changes, to be able to adapt to the changes, to keep on looking for new solutions.
4. Some methods and techniques might be helpful.

A person is motivated to be creative when one really wants to achieve something. One also thinks creatively when it is needed to fix something immediately and in a new way. However certainly the innovative leader is crucial to supervise the team and motivate them to come up with new ideas. To make use

of innovation it has to be adopted by entrepreneur who can see a chance in innovation. A chance is combined with the risk of failure. To implement innovation and to minimize the risk, the innovation has to become a process in which an entrepreneur will engage the resources (Koźmiński 2014: 370). The resources involve persistence, emotional involvement, intellectual and educational capital, social capital and business intuition.

3. CREATIVE LEADER

In the recent years the process of managing human resources has become more complex than before. The leader plays an important role in the organization as he has to manage human resources within organization. The way he leads the team has great influence on the final results of the company. Knowledge, skills, life and professional experience, personality, values, behavior – that is all what is taken into consideration when we talk about the features of the leader. The difference between the manager and leader is in the way you obtain your function. The manager becomes manager because he is promoted to this function while the leader becomes the leader because the coworkers respect the leader and want to follow him (Szaban 2007: 198). By leader we understand a person who has an influence on others in order to achieve a goal. However the team has an impact on the leader too and that is why the leader needs to listen to the team, he needs to be emphatic. This relationship is an exchange between both parties: the leader and the group. The group should follow the instructions given by the leader because they think that those instructions are the right ones and because they were told to do so. Leaders in an innovative environment face more challenges than before. They still base on fundamental rules and values but apart from that they need to be more creative to stay in power in the more and more competitive and changing market. It was discovered that the best way to become more successful is to learn faster than the opponents do. The process of continuous learning makes the developing company stay in harmony with the changing business background (Krawiec 2009: 204). The leaders will have to pay attention to the use of knowledge by employees in the most effective way in the process of creating new values. Moreover, the effective communication is crucial because the bigger amount of knowledge transformed into information will be needed. The planning in the past was unchangeable, hierarchical and fixed. The planning of the future must now be flexible and easy to be incorporated into organization. The innovative leaders are masters to follow and inspire others by their authenticity. The leadership consists of several fields: techniques, ethics, full involvement, responsibility, tolerance, maturity and hard work. The basic attributes of the leader of the future are: asking provoking questions, making documented decisions and helping others in the process of learning. The leaders will also manage outside its organization to

improve the business environment and involve the partners in cooperation. They care about people and create new leading possibilities for them. However the leaders must still focus on their basic tasks such as building the trust in order to get over the challenges and in order to transform the threats and changing the problems into the positive possibilities. Vision and the values are the starting point. Leaders must strengthen the trust in all levels: trust in yourself, mutual trust, trust to the system, trust to investors and to society. The leading managers become more team-oriented and create a model based on interactions. They are assessed on the basis of the talents incorporated rather than on the basis of their own skills. The acceptance for work is fundamental – employees should work willingly and with positive attitude. Leaders of the future should identify, support and encourage the professional coworkers to the passion and they should give example and show their passion for leadership. When there is a threat of reduction in employment and the global competition is expanding, it is necessary to update and redefine the abilities of the team. Therefore the leaders will need to enable the coworkers to gain extra academic knowledge and professional experience required by the changing environment. Most likely top managers will be willing to accept lower salary instead of the possibility of further professional development. That is because the goal of the professionals is not only the financial benefit – they desire to bring on the valuable input to their field of interest. Before, the leaders used to ask: „What can you do to help our company to achieve the goal?” Innovative leaders will ask: „What can our company do to help you achieve your goal?” The professionals have two needs: satisfaction and the feeling of the sense of their work. Leaders create an environment where hardworking professionals are satisfied and want to work. They concentrate more on the human being than on the task itself. The globalization, new technologies and competition made it more difficult to achieve the goal. The innovative leader will create the systems in which employees, suppliers and clients are loyal to the company. He has to integrate different perspectives, combine them and use all necessary skills to create new solutions and new possibilities. The most important features of integrating leader are (Krawiec 2009: 210):

- Belief in the power of idea.
- Ability to listen and to search for new perspectives.
- Absolute availability and being open to critics.
- Creativity, considering all options and possibilities.
- Interdisciplinary activity.
- Looking forward to the future.
- Willingness to learn and motivating others to learn.
- Developing the potential of other colleagues and developing their leadership skills.

One of the main tasks of the leader of the future is creating the vision and mission. They both should be clear and understandable. Drawing the perspective

of the future is the most difficult task. It requires experience, creativity and ability to take the risk. However, it is not expected that the leaders will foresee the future. Creating the vision is needed as its role is to inspire. The role of the leader is to present the vision to his team so that all the team members feel the passion and want to follow the way created by the leader. Leaders need to involve all the members in collective dialogue about the future. They need to know the team and speak in a clear way to the team and be able to listen to the team members. It is important that the leaders are respected by the team members. The leader gains respect by his way of behaving and by the way he treats others. The best way to get respect and reliability is to show others that the leader himself can do anything what is needed by the company – in this way he has a chance to show others that he is one of them and not above them. The CEO of the company who is reducing costs by resigning from free coffee for his employees, and is at the same time buying a new airplane for the company and hiring the most famous chef for himself, will not gain respect and reliability. The team needs the feeling that the environment they work in is based on fair rules. It is impossible that one person knows everything – that is why the team is so important. However there must be a person who leads the team. The leaders are usually aware of how many innovations are created in their organizations; however they feel that they do not control all the dispersed innovations. Unfortunately, the companies realize chaotic program of innovations instead of stable and profitable strategy followed by balanced set of innovations (Nagji 2014: 47).

4. LEADERSHIP RULES BY RICHARD BRANSON

The Virgin Group is a leading international investment group and one of the world's most recognizable and respected brands. Conceived in 1970 by Sir Richard Branson in Great Britain, the Virgin Group has gone on to grow successful businesses in sectors ranging from mobile telephony, travel, financial services, leisure, music, holidays and health & wellness (<http://www.virgin.com/discover-virgin>). On the website we can find the vision of the Virgin Group: „We unite great people and entrepreneurial ideas to reinvent how we live and work in the world to help make people's lives better” (<http://www.virgin.com/discover-virgin>). Richard Branson is the owner of the company and is thought to be one of the most successful leaders. He is very controversial in the way of being and managing, however he is very creative and successful. He is not a typical British businessman and finds it easy to disagree openly, which is not typical to British culture (Lewis 2008: 198). His story is an inspiration to many young people as he is an example of a person who started his own business in 1968 as a seventeen-year-old teenager and today he is one of the most successful leaders owning companies from different fields. He is a phenomenon – when he speaks, everything seems to be so

simple (Dearlove 2009: 20). He owns the companies from different fields branded under the name of the Virgin Group. He takes pleasure in starting in a new field dominated by a competition, and moreover, he mostly succeeds. Nowadays it is not enough to have innovative product. It is more important to implement new business model. The organization needs to create new value for the client and in the same time creates new value for itself (Jonhnsen 2013: 10) Richard Branson is an integral part of the Virgin Group. He pointed out four main competences of Virgin (Dearlove 2009: 28):

1. The ability to notice the possibilities of growth.
2. The ability of fast decision making.
3. Being ready to transfer the responsibility for everyday managing tasks to small operative groups.
4. The ability to create joint venture groups and manage them.

This part of the article describes the rules of leadership by Richard Branson.

Compete with the stronger ones. The key is in his innovative way of leading people. His strategy is based on brand reliability and social trust that he as a leader „acts for the right”. He as an entrepreneur and businessman takes the position of the customer and he wonders what the customer needs and how he feels. The name Virgin is trustful among society. The name has been used many times already to launch new project on the market and the trustful brand attracted customers. He also uses the technique to promote Virgin as the weaker opponent; however Virgin is in fact a large organization. It puts the brand in a positive light. This strategy works perfectly with the clients who were already deceived and disrespected by the competitors. This pose motivates employees who feel like heroes. On the other hand, the brave and innovative strategy to act as a pirate makes the opponents stressed and they start to make simple mistakes. Richard Branson chooses the fields of business very carefully and once he decides to face the challenge, he „makes the noise, he teases the opponent as much as you can and wait till he starts making mistakes” (Dearlove 2009: 46).

People are the most important (Dearlove 2009: 51). What helps Richard Branson in being such a brilliant leader is the perfect reputation and the sympathy of the society. His innovative way of conduct made him famous among potential customers. He created the image of Virgin as the company which follows the trend and is „cool”, which is alternative for other formal offers. He is far away from wearing suits and ties. Richard Branson has a great gift of discovering the sources of potential business activity. He is not obsessed about financial benefits. Many observers claim that the money is important to Richard Branson only as a measure of the achievement. It is officially known that the salaries in Virgin are not very high. Many employees decide to work for Virgin despite lower salaries because they like the innovative working spirit Virgin is well known for. Richard Branson is announced every year as one of the richest people; however he does not show off his material status. He believes in people. The basic Virgin rule is: people –

both clients and employees – are the most important. He likes to describe his coworkers as a family. Once Richard was asked to describe the key to the success in three words and he said: people, people, people (Branson 2014: 14). When he launched the Virgin Group all new employees were given his phone number and they could call him any time to share new ideas with him or to talk over some business issues. He thinks that the organization must be loyal to the employees no matter if the company is through the good or the bad times. He also claims that you should work a lot but at the same time you need to enjoy life a lot. Every year he organizes a party for all the employees. They like to work for the Virgin Group because they feel that they have something in common with the leader and they trust him. Branson chooses those business fields which require innovation and where the imagination and improved customer service is needed.

Negotiating skills are important (Dearlove 2009: 67). He is a great negotiator. Thanks to his image of an „easy-going friend” he hardly ever ends the negotiations as a loser. But those who know him better are aware of the fact that this image is strongly combined with intelligence, willingness to compete and love to bargain. He is also very patient and has unbelievable ability to convince negotiating partners that if they agree on his conditions, they are still winners. Richard does not use the words: no, never, impossible. He is not an accountant but he has always had a team next to him that was doing the mathematical analyses for him.

Let the work be fun (Dearlove 2009: 77). His innovative organizational culture is the best motivating method for his colleagues. Many people wonder why Richard manages to be successful in the fields which were already developed and dominated by big players. The answer is simple – he inspires people. He knows how to motivate people so that they do any effort to achieve the goal. Richard is very enthusiastic and he gives away the self-confidence and faith: the sky is the limit. He often gathers the team and then says: „Let’s have fun now”. He is willing to employ inexperienced team members and then let them work on the project. Thanks to the freedom he gives to his colleagues he wakes up their creativity. They pay back the trust they got by amazing results. His employees are more independent at work in the Virgin Group than in any other organizations. The offices are located in the houses and not in the typical office building what makes the working relations more informal. Richard Branson builds on giving compliments to his colleagues rather than criticizing them. People see the business leader in Richard, the leader for whom the motivation is the highest goal.

Take care of your brand. The Virgin Group brand is very well recognizable and is associated with good quality, reasonable prices and current trends. Richard Branson says that if you care about your brand, the success will be granted. The rules which the Virgin Group follows are: quality, reasonable price, competition, innovation and inspired people (Dearlove 2009: 93).

Be the icon of your organization (Dearlove 2009: 99). The pictures of Branson are often used to promote the Virgin Group. He is the icon of the company. The

Virgin Group is sometimes promoted in the media by joking at his leader. He understood that other organizations have very high commercial costs while he can get promoted for free by using his image and controversial actions. But even when he is involved in media promotion, he is still the leader of great trust. He avoids negative renown; both in business and in private life. He gets involved in charity and environment-protective projects. He has a talent to be where there are public problems and catastrophes and he is the logo of the company.

Give some freedom to your team (Dearlove 2009: 115). He inspires others, not forces them. He is very reliable and trustworthy. He is a god leader because he doesn't play the role – he works really hard. He was very innovative at resigning from typical hierarchical organization and created inspiring leadership instead. He knows exactly when is the moment when he should step back and transfer the responsibilities to another leader from his team. He plans the future by checking many projects and choosing them carefully. Together with the team of experts he verifies 50 project offers weekly. Richard says about himself that he has a great talent for finding people and letting them work. He also promotes creative atmosphere within the Virgin Group. He keeps in touch with employees and customers so that he can be updated. He often talks to customers personally about the satisfaction with the service of the Virgin Group.

Act as fast as you can (Dearlove 2009: 125). Richard knows how to use a potential chance. He believes in both: mathematical analysis and his emotional feelings. He trusts his inside feeling when it comes to customers' needs. He has good sense of time. Whenever he launches the new product, he will let the team work but he likes to have control over it just to make sure the brand of the Virgin Group is used in a positive way. He tries to limit bureaucracy which helps in acting faster. He gives the right to make mistakes but one has to learn from the mistakes they made so that the same mistakes can be avoided in the future.

The size of the company must be taken into account (Dearlove 2009: 135). He is good at setting up new companies. The structure of the company is decentralized. The brand is controlled by license agreements. Once they notice the gap, they create new department. Once the company becomes too big, they create a new one. Richard encourages employees to share new ideas and suggestions on improving the company. He claims to get 30–40 e-mails per day from his colleagues. In this way the relation between employees and employer is stronger.

Be one of us (Dearlove 2009: 145). Richard behaves as he is one of us. It is not modesty but the ability to establish contact with anyone; however he makes a gap between him and majority of top business people. He tries to put himself in the position of the customer. He uses gladly the word „happiness”. When flying onboard his airline, he talks to co-passengers and ask about opinion on the airline. He wants his companies to be more personal. He respects others and listens to them. Somehow clients see themselves in Richard and his success is in a way their

success and that is why they like Richard. He really pays attention to public opinion.

The use of „we” and „they” makes the difference (Branson 2014: 65). Communicate good news by using „we” and the bad news by using „they”. Best advice given to Branson was the one given to him by his mother. According to this rule you should not look back regretting but move on to the next step (Branson 2014: 38). Branson gives one crucial advice to young entrepreneurs – you cannot do the business without risk (Branson 2014: 39).

Richard Branson encourages others to be more creative and to take a chance. In 1984 he came up with an idea of setting up an airline offering low-fare tickets from London to New York. The only low-cost carrier on this route was People Express at that time. Branson decided to call People Express but the phone was busy for a long time. Branson drew a conclusion: either People Express in managed in an inappropriate way so it will be easy to compete with them or there is a great demand on low-fare tickets on this route so there will still be a place for a new airline on the market (Branson 2015: 181).

5. SUMMARY

The article was focused on innovation and creativity as essential elements of the organizations of the future. After the theoretical part describing innovative environment and creative leadership, the practical leadership of the future was revealed. The story of Richard Branson and his business model is controversial, however unbelievably successful. He is a phenomenon and became an icon of the Virgin Group. He proves that people are the most crucial resource of the organization. The role of both employees and customers cannot be underestimated. Simple rules implemented in his model turned out to be very successful in different fields of business activities. He proved that it is worth being creative and taking a chance even though a chance is always followed by risk.

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AUTHOR NOTE

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Creativity is now an exposed trait. This is due to the high need for innovation, original and useful solutions that serve the development of the organization, their effective market entry and long-term survival. This publication is a collection of papers prepared under The First National Conference „CREATIVE VIBES. Kreatywnością napędzamy gospodarkę”, whose aim was to stir issues concerning the significance of creativity from the point of view of the development of innovative economy, as well as to draw attention to the role of creativity in the education process of students and its impact on the development of professional competence.



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