

GENERAL AND SPECIFIC FACTORS OF MANAGERIAL CREATIVITY BLOCKAGES RELATED TO THE ECONOMIC DEVELOPMENT OF ROMANIA'S NORTH-EAST REGION

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Abstract:

The current research is important and highly necessary considering that certain businesses offering high quality products and services remain largely unknown on the market. Many businesses face serious threats for the future and answers can only come from novel approaches and from original and innovative solutions with a major positive impact. The intermediate findings of this study complement the rather limited research in the field and, based on theoretical and practical approaches, attempt to contribute to elucidating the modern practice mechanisms in managers' creative thinking and the related principles and values. Managers' creative thinking is essentially a complex mental activity that generates a certain product, the mental capacity of the human individual to achieve new things, in different forms, e.g. theoretical, scientific, technical, social, etc. These are necessary to uncover unfamiliar facts about reality or to develop original approaches and solutions to solve problems and express them in unique personal forms.

Keywords: barriers, decisions, practical approach, marketing and management.

JEL Classification: L20, M51, O30, O31, O32

Introduction

Human creativity, viewed through the centuries as a divine attribute, evolved in slow steps, facing obstacles and dangers, and its products were considered of divine inspiration. In the ancient world, creative geniuses were considered to be under the grace of muses that simultaneously inspired and protected. Originally, the notion of creativity was expressed by imagination, talent, inspiration, creative fantasy, which constitutes in fact psychological traits of a creative person. The year 1950 is a milestone in scientific research on creativity, with J. P. Guilford regarded as the parent of research in the field. In the 1980s research related to creativity expanded throughout the developed world. In Romania, the first work on creativity was published in 1967, authored by Alexandru Roșca, from the University of Cluj-Napoca. Research was pursued at the Universities of Bucharest, by P. N. Popescu, and Iasi, by V. Pavelcu, Gh. Doncean, V. Belousov, etc. Worldwide, there are centers for research on creativity, based mainly in the United States, Europe and Asia.

Description of the Problem

Creativity is not defined by stimulus methods alone it also deals with a range of **barriers or bottlenecks**. Let us remember that people/researchers/professionals find it very difficult to accept "anything" that does not conform to their way of thinking, "something" they cannot imagine to be possible and implicitly tend to ridicule, to combat and to put up resistance to anything new or novel.

This phenomenon has manifested in Romania too after 1989, as there have been numerous barriers to the country's modernization and the leveraging of intellectual elites, so much so that certain creative individuals have had to go to the West. The consequences? A slow pace of technical and economic innovation, low performance in the economic and social areas, budget deficits exceeding 7% of GDP, high external debt, over 40% of the country's population below the poverty line and a 50th place in the ranking of top performing countries.

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Romanian entrepreneurs most often take the decision to "clone" certain businesses and do not make the effort to generate new business ideas. Among the surveyed managers, the answers about the strategic vision in business management were grouped as follows:

- 38% make decisions based on methods applied in the past which resulted in modest success (A);
- 26% view prudence as an essential element in change management decision-making (B);
- 19% build their decision-making on models used by managers of successful domestic businesses (C);
- 13% are concerned about innovation and modern marketing in their business as success factor for the future (D);
- 4% do not seek to develop their own ideas of innovation and marketing (E).

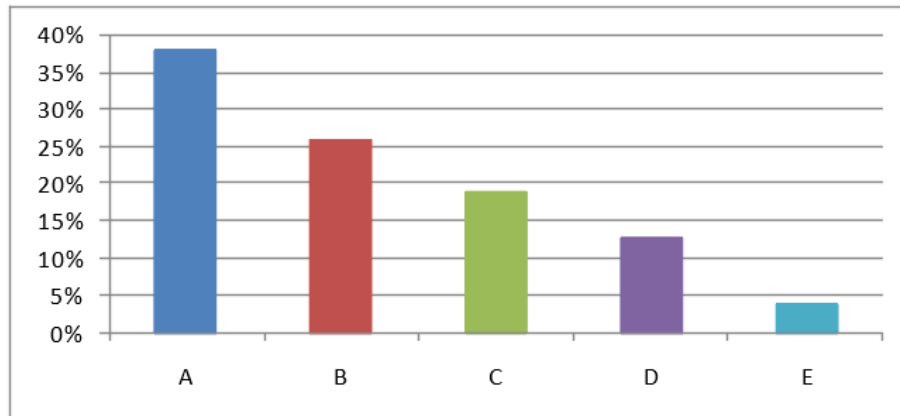


Figure 1. The strategic vision of managers in the North-East development region regarding the creative marketing management of their business

Source: data processed by the author

Direct interviews with some managers in other regions of Romania have shown that although managers in the North-East development region are smarter, few among them actually transfer business marketing creativity to the level of innovative products that add value to the company and society.

Marketing creativity in some cases transforms into barriers or obstacles, with excess sometimes leading to defocussing, a negative factor for the business. Questioned on the financial support for their business, the managers expressed different, divergent views, little knowledge of the financial mechanism, as reflected in their answers:

- 49% consider the financial support for the business as being essential;
- 22% did not track price variations in the context of the financial crisis in the EU;

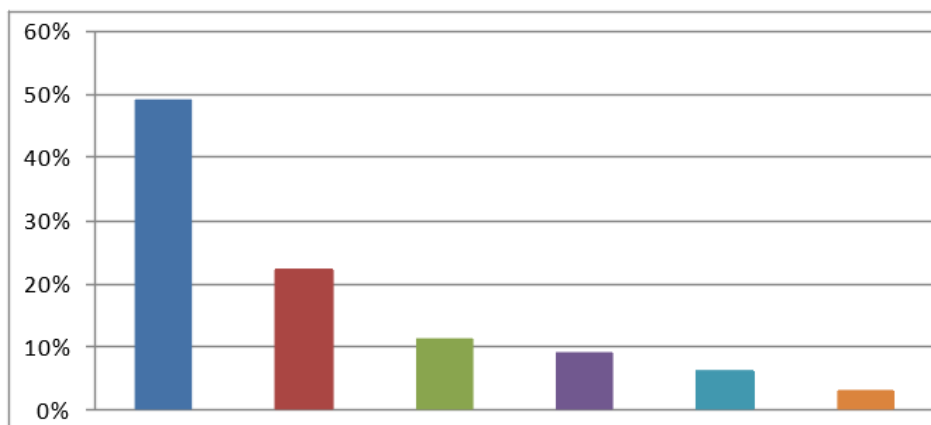


Figure 2. Managers' perceptions of the importance of financial capital

Source: data processed by the author

- 11% believe that only changes in the RON/EUR or RON/USD exchange rate could threaten the business;
- 9% also take into account marketing expenses in business assessment;
- 6% do not have (up to date) information on the financial situation of the company;
- 3% receive the information directly from the COO or CFO.

Figure 2 shows that managers in the North-East region do not opt for a “fashion trend” approach in their business. It is necessary to design a new model of marketing management that is line with the current realities of the Romanian economy and business environment, because the concepts studied are based on a stable economic environment and not on an unstable, current economic environment. The question that arises then is: are they still current?

We have discovered that in the region under research the marketing management theories conceptualized through research are not sufficiently known. This is the first finding. However, in the context of globalization, marketing management focuses on creativity and innovation, while some managers still believe in classical marketing and management.

In the literature in the field, two major trends have come to the fore:

1. Some modern marketing and management theorists consider that the ideal solution for the future is to revert to old management practices and principles that have proven their validity over time;

2. Other specialists find that continuing classic management is the cause of current problems in the business environment and opt for abandoning it.

Both research trends provide a sound argument to support their claims. In the theories of modern marketing management too there is an emphasis on the future capacity for continuous adaptation, creativity and innovation, and long-term solutions consist of rigour, discipline and risk containment. This research highlights the practical approach of businesses in the North-East region of Romania, in relation to these two theoretical opinions. It is obviously necessary to set a proper direction for the company’s development, for its strategies and change-management tactics to be implemented, because in a variable economy any error can make the difference between bankruptcy and performance. Decisions have to be made under conditions of certainty as the North-East area is among the poorest areas in Romania. For this reason, properly leveraging the human resources potential is particularly important. In this region incomes are among the lowest in the country, which makes residents more cautious, favouring savings held in banks in order to raise capital for further investment.

Analyzing creation and innovation at the level of the eight development regions of Romania, we find that the North-East region ranks in the middle range, with a declining trend, as results from the research carried out:

Table 1

North-East region ranking in terms of innovation factors

No.	Factors	Points	Rank
1	Extent of innovation	37.19	2
2	Innovation management potential	53.42	2
3	Knowledge generation potential	12.46	4
4	Capacity for innovation and integration in a relational system	57.02	2
5	Performance of innovation activities	31.43	7
6	Intellectual property	7.89	6
	Average points	33.24	4

Source: data processed by the author

Table 2

Comparative table of innovation factors for the eight economic regions of Romania

Development region	Overall rank	Innovation management potential	Knowledge generation potential	Capacity for innovation and integration in a relational system	Performance of innovation activities	Intellectual property
București Ilfov	1	1	1	1	1	1
Nord-Est	2	2	4	2	7	6
Centru	3	7	8	3	3	2
Sud	4	5	2	5	6	3
Sud -Est	5	6	7	4	2	7
Sud -Vest	6	3	6	8	4	8
Nord-Vest	7	4	3	7	8	4
Vest	8	8	5	6	5	5

Source: data processed by the author

The data presented in the table above indicates that:

- The North-East region ranks sixth when analyzing intellectual property, even though it is the second university centre in the country and has a National Invention Institute and places seventh in terms of the performance of innovation activities;
- Research and development bodies did not launch new products, technologies, patents, models, etc. on the market.

The survey conducted in businesses in the North-East region also sought to gather information on the importance of factors that block innovation activity, innovative projects or influence the decision to not innovate. The following four groups of factors emerge:

1. Cost factors:

- Lack of funds in the company;
- Lack of funding from sources outside the company;
- High innovation costs.

2. Factors linked to knowledge accumulation:

- Lack of qualified staff;
- Lack of information about technology;
- Lack of information on demand in specific markets;
- Difficulties in identifying partners for co-operation for innovation;

3. Market factors:

- Market dominance by established firms;
- Low and fluctuating demand for innovative goods and services.

4. Reasons not to innovate:

- Needs have been addressed by earlier innovations;
- There are no calls to innovate a product or service.

Among the businesses surveyed, 13% searched for innovation co-operation partners and 14% faced a fluctuating demand for innovative goods and services. The study conducted on a number of North-East region companies that have introduced change through creativity and innovation. In our survey businesses reported that they had faced the following types of blocks to creativity in the implementation phase:

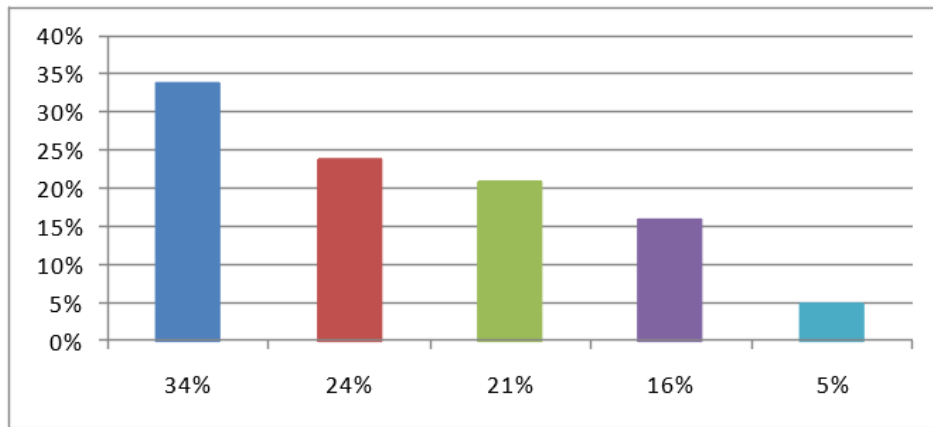


Figure 3

Source: data processed by the author

- 5% - had difficulties in pinpointing a problem in the current economic context;
- 16% - tended to concentrate excessively on the problem;
- 21% - do not distinguish cause from effect;
- 24% - argue that emotional blocks are the most important;
- 34% - are fearful of hierarchical leaders.

The answers faithfully reflect the reality of the Romanian economy and society. The key to success is that, regardless of the level of responsibility we have, we must quickly overcome the barriers to creativity. The management of such blocks must be based on intuitive methods and techniques to overcome the resistance to change. There are cases where, due to excessive bureaucracy and high taxes, many inventions were not officially registered, others were delayed, and most were registered overseas due to lack of funds within and outside companies to apply new technologies. This is also one of the reasons why in 2016 Romania's competitiveness index was 3.09 and its technological index 4.05 (compared to 5.77 for Switzerland), ranking it 76 and 78 respectively out of 134 countries. The cause for the blockages to creativity also lies in the insufficient training and professional skills offered by the Romanian universities. In this respect in 2016 Romania's higher education indicator was only 4.14, ranking it 54th, compared to Finland's 6.01. Universities do not prepare top intellectual elites able to innovate the Romanian society at all levels.

Managers need innovative and quick solutions to eliminate the creative bottlenecks in the Romanian society, which are perceived as an evolutionary process, the problems to be solved having a dynamic character, with rapidly shifting developments. As part of the study, managers who run high-performance businesses, especially those in organic agro-food production, report the following factors that add to creativity blockages: changes are deployed in small steps, taxation reduces firms' revenue, and loans are becoming too expensive. All the companies reviewed have managerial teams with university degrees, who continuously learn in formal settings and are knowledgeable of modern economic theory and, respectively, of marketing techniques and methods. The formula for the economy based on innovation and creativity can be written as follows:

innovation + market economy + democratic system = general prosperity + global cooperation

Failure to perform and to innovate leads to poverty and poverty triggers social conflicts. Specialist research has shown that countries with a per capita GDP of less than \$250 have a 15% probability of experiencing violence and unpredictable outcomes. This phenomenon also occurred in Romania, when severe measures were taken to cut the income of citizens. However, survival on the market requires rapid and creative adaptability. A study of 161 businesses in the North-East Region on how managers perceive innovation as the main element of creativity produced the following answers:

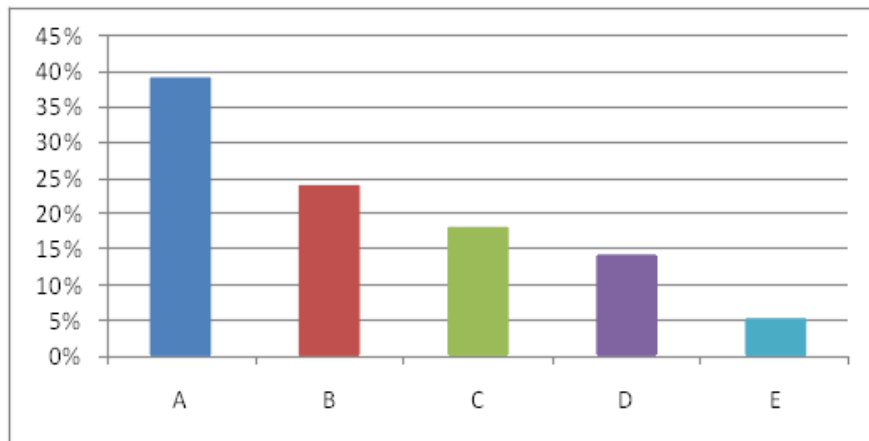


Figure 4

Source: data processed by the author

- 39% view invention as the central element of creativity (A);
- 24% view innovation to be important, though it requires important support resources (B);
- 18% view innovation as a factor for the company's survival in the future (C);
- 14% believe that innovation is the responsibility of intellectual elites (D);
- 5% believe that performance is more important than innovation at company level (E).

Methodology and Data

The following methods were used as part of the research: quantitative and qualitative research methods, including bibliographic documentation, induction, deduction, systemic method, statistical methods, method of comparison, defining the scope of the problem, correlation, evaluation, etc.

The article is based on systemic, complex and problem-focused approaches and seeks to examine the mechanisms of managers' creative thinking values.

This study of great topicality and originality can be considered a concrete support for researchers, academics and managers in what is an interesting field of economy

Results

There is a lack of knowledge among managers of the role that innovation plays in remodeling the future, a perception that can be easily assimilated as a creativity block.

These issues help to justify the ever smaller number of research papers with a major impact in the world. From the literature in the field, but also from field studies, the following classification of obstacles or barriers to creativity and innovation can be summarized:

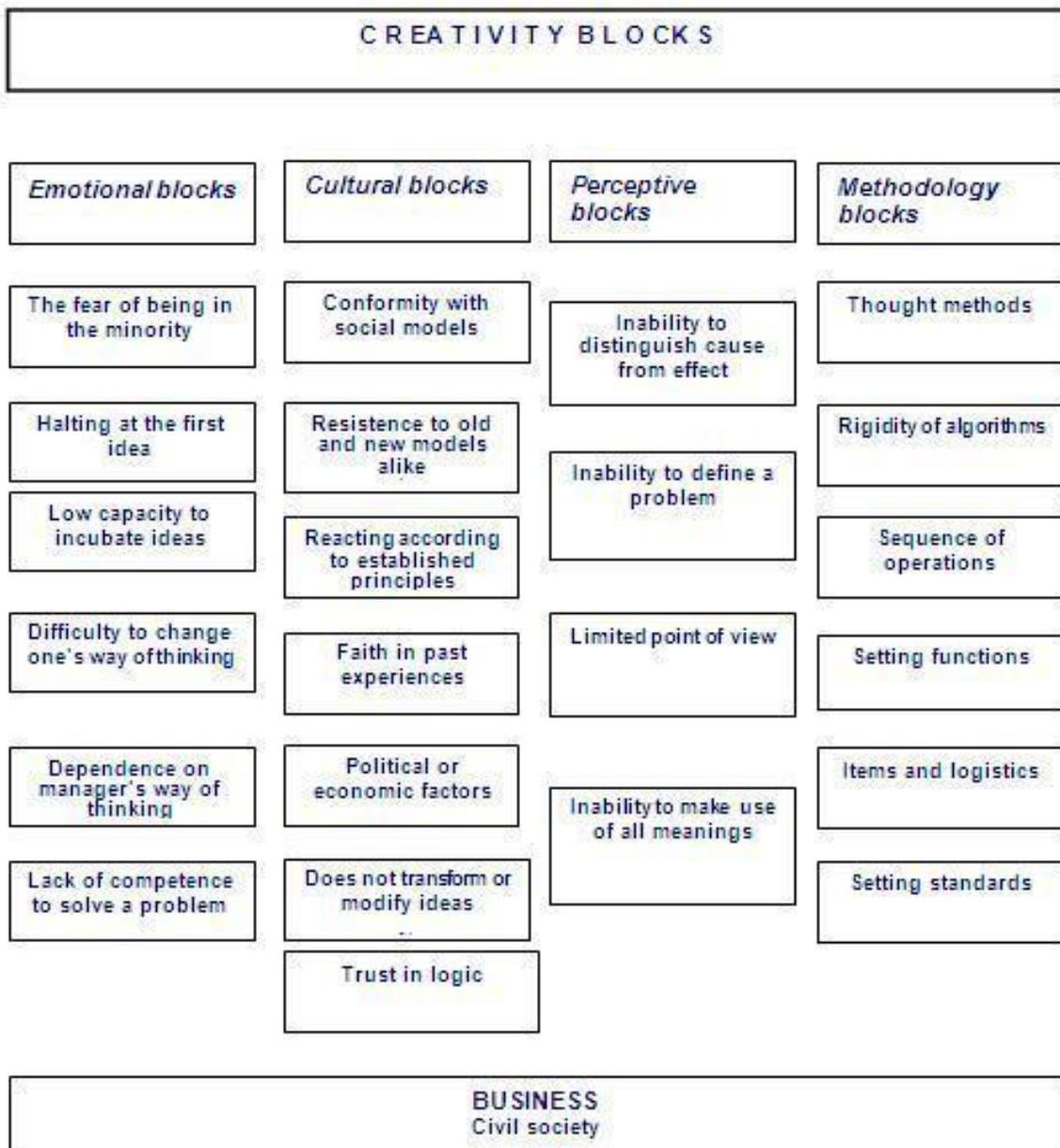


Figure 5: Barriers or obstacles to creativity and innovation

Source: data processed by the author

1. Cultural barriers / obstacles are linked to certain strict rules and directions to be followed:

- Managers' reliance, almost exclusively, on reason, logical methods and experience to the detriment of inspiration;
- The authority at the top of the decision-making pyramid that exerts the most damaging influence on the individual's creativity (there are no impact studies at company level);
- Discouraging the creators. Valuable ideas are being vigorously opposed by well-organized interest groups and sometimes by decisions of the company's hierarchy;
- The fear of the creator to not be up to the standard required to deal with an issue, the conservation instinct and the social position acquired within the firm.

2. Cognitive blockages relate to the field of knowledge and perception, i.e. a difficulty to identify the main problem, to think divergently, flexibly and to be open to any possible solution. The tendency to restrict potential solutions and to stick to a single option is a barrier to creativity in a company.

3. Obstacles related to the personality of the decision-maker are motivational, mental, attitudinal and emotional. Intrinsic motivation is the engine of creativity. Low motivation, broadly present in Romania, is particularly detrimental to creativity. At the same time, according to the

principle of duality, excessive motivation (great material gains, scientific titles, important positions) are detrimental to the creative act, as optimal motivation lies between the two extremes. The lack of the will to solve a problem, the momentary or the strategic interest, exaggerated protectionism or strong conformism are all obstacles related to the attitude, mentality and behaviour of the creator.

4. The environmental barriers come directly from the external environment of the creator and derive from the creator's lack of cooperation with his/her team, the autocratic behaviour of the decision-maker, the lack of sufficient financial means to solve the problem or the undermining of the creator's personality.

5. Socio-cultural barriers include customs, beliefs, taboos, prohibitions, discomfort and potential dangers. Some decision-makers are also inclined to sometimes consider that the creative employee wastes time or simply plays with inspiration.

Research has shown that 13% of the great creators were considered "mad". But daydreaming or visions must not be obstructed by the manager, since disregard for the creator's personality damages creation. The creator uses divergent thinking, which is why brainstorming is one of the methods used to boost creativity. Some managers, more rigid in behaviour and thinking, do not condone humour in the act of creation. Yet by denying such behaviour, they block the positive and free side of creation. Through humour, the creative person accumulates cognitive tension, then leaves this framework and moves into another frame favourable for creation and finding solutions. Creative people are loaded with positive energy; they are cheerful and should not be inhibited.

Sometimes the cultural environment in which the creative person works influences their behaviour: it may be a cultural environment oriented towards traditionalism or an environment focused on rapid and radical change. The cultures of rich and performing countries focus on change, which also favours creativity: e.g. the US, England, France, China, India, Brazil, Argentina, Japan. In Romania, traditionalism is very strong and breeds resistance to change. For this reason, the creator will feel restricted in a society that does not adhere to certain values and is confined to conservatism. Furthermore, validating any creation in Romania is cumbersome, costly, bureaucratic, marred by petty interests. As a consequence, the official recognition of the creator's "product / service" is delayed and is not financially supported.

Pauling Linus, the two-time Nobel Prize winner, asked about how he achieved this performance: "It's simple. The way to get good ideas is to get lots of ideas and throw the bad ones away." A creator needs such a great number of ideas. Gold cannot be found if one does not look for it and uncut diamonds are of no value and do not shine.

Indeed creators must be identified, supported, motivated, officially recognized, and their creations must be put into practice, while barriers to creativity and innovation must be removed. Any other approach leads to failure. Yet the issue of creativity and innovation can also be addressed by analysing its causes using a chart. Using figure 8 helps to highlight the cause-effect links, allows the analysis of each aspect of a given situation, and helps to identify the elements to modify or neutralize them.

A. Osborn argued that, when compared to the solutions decided on the spot, postponed judgment brings, in the case of group-derived solutions, a 70% benefit compared to the conventional individual idea and up to 90% as opposed to an individual decision. He also contended that stating many ideas quickly and postponing their analysis for a while generates a multitude of novel and original hypotheses, the most valuable of which emerge in the final stages of mental effort.

Conclusions

No progress can be achieved without creativity. The latter requires preparation, stimulation and encouragement and very intense work, specific to each creator. The road to performance first involves eliminating barriers. The challenges of the future are so important and threatening to the very existence of the human species itself, that only through original ideas and creation, can we find the appropriate answers.

These are the reasons why creators need to be sought, nurtured, supported, motivated, recognized, so that we can quickly find our place among the great civilized nations of the world. Creation will bring profit and recognition through value, welfare and national wealth. Creativity, regardless of the field in which it manifests itself, must be validated.

Creativity generally focuses on the need for a new product or service of high social value. For this reason, society needs to invest in education in order to train people for fields that require high intelligence: in science $IQ > 120$; in the technical and business fields $IQ > 110$; in artistic creation

IQ > 100. Creativity has always been and will continue to be a defining social necessity for progress characterized by the need to create a new and original product and social value.

Future Directions

Creators have divergent thinking, accept more solutions, yet will choose one in response to a social necessity, providing practical applications and bringing high added value. There are many methods and techniques to foster creativity, but also so many obstacles that hinder a company's marketing creativity. *The focus on development is equally necessary for the individual, for businesses and for society at large.* Each stakeholder must be prepared for competition by novelty, creativity being a social necessity that ensures renewal, prosperity and progress. We have great creative potential: our minds, which we must use more intensely, as a primary source of creation and progress; natural resources; developed higher education. However, we must change our attitude in addressing certain issues and get to work seriously, starting from the main economic actors: people, businesses and the society.

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