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ORGANIZATION'S ENERGY MANAGEMENT – A NEW TREND IN THEORY AND PRACTICE OF MANAGEMENT

Summary:

The article is based on the assumption that one of the most important advantages of the organisation is productive organisation's energy. Energy of an organisation (alternatively referred to as organisation's energy) is defined as a degree or level of mobilising by an organisation its emotional, mental and behavioural forces (potentials) for achieving objectives of the company. It is treated as a key success factor that allows enterprises to activate and use sources of competitive advantage lying in the potential of an individual employee and teams. The aim of this article is to create theoretical bases for the research on determinants of organisation's energy management, particularly on determinants of development of productive energy and its usage to achieve objectives of an organisation. The authors present results of the epistemological analysis indicated in the title and formulate problems that, in their opinion, require further empirical research.

Introduction

The concept of organisation's energy management is built on the basis of the specific needs of business practice. In times of turbulent changes in the business environment, global hyper-competition and successive waves of economic crises strong sides of enterprises and other organisations are sought out, which would allow them not only to survive but also enable sustainable development. The article is based on the assumption that one of such advantages of the organisation is productive organisation's energy. It is treated as a key success factor that allows enterprises to activate and use sources of competitive advantage lying in the potential of an individual employee and teams.

The concept of organisation's energy management is relatively new and quite rarely undertaken in the scientific literature; therefore we think it is worth our attention. The aim of this article is to create theoretical bases for the research on determinants of organisation's energy management, particularly on determinants of development of productive energy and its usage to achieve objectives of an organisation. The authors present results of the epistemological analysis indicated in the title and formulate problems that, in their opinion, require further empirical research.

1. The essence and types of organisational energy

Until recently, the issue of energy management was undertaken almost only in relation to motivation and motivating employees. This is caused by the etymology of the word “motivation”: *movere* in Latin means *movement, moving*, but also *stimulating, encouraging someone to do something*. On this basis, it can be concluded that motivation is inextricably connected with energy, its processing and expenditure. Energy is no longer only about the individual employee and his or her high or low engagement. Instead we need to think about the positive or negative energy of the whole organisation, business unit or change project¹.

Precursors² of the concept of organisation’s energy management aptly noted that in the scientific literature the terms activate, mobilize and stimulate are often used. In the wake of this, they expressed justified doubts. What they actually mean by mobilising or activating - or similar such terms - remains blurry. Intellectual roots of the concept of organisation’s energy can be found mainly in psychology. It results, among others, from the fact that for many years in scientific literature in the area of management³ a tendency to assign organisations typically human features is observed. An organisation is described as intelligent, learning and agile. It possesses knowledge, communicates with the environment, has its own personality, etc. And as every man possesses his/her mental energy, similarly an organisation possesses its energy resources. In psychology, mental energy (internal) should be understood as the intensity of mental processes. Its source lies in a constant tension between consciousness and unconsciousness⁴. In contrast, energy of an organisation (alternatively referred to as organisation’s energy) is defined as a degree or level of mobilising by an organisation its emotional, mental and behavioural forces (potentials) for achieving objectives of the company.⁵ Organisational energy is collective energy. It comprises the activated collective human potential of a company.

Organisation’s energy reflects the current state of energy activation in a company. The organisation’s energy can change quickly due to the actions of executives or changes in the context of an organisation for example. Energy management means such its orientation that the energy is not wasted unproductively for implementation of unjustified objectives (activities or changes), but is released at the right moment, maintained in readiness for usage and directed in accordance with the priorities arising from the hierarchy of

¹ B. Vogel, *Leadership to boost your organisation’s energy and performance*, Hanley Business School, p. 2.

² they are J. E. Dutton, B. Vogel, W. Bruch.

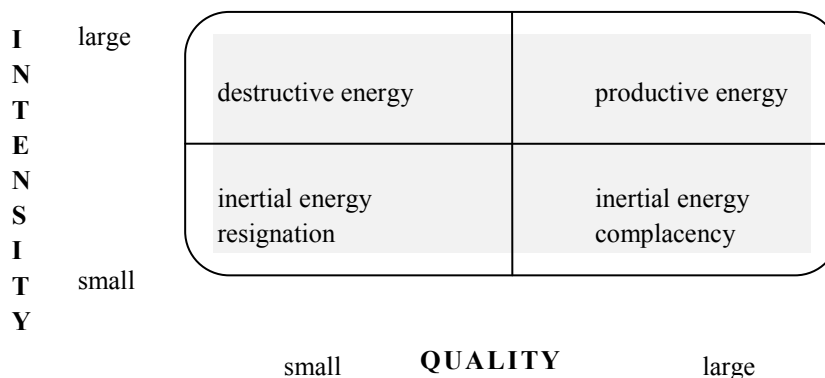
³ for example: A. Barabasz, *Osobowość organizacji: zastosowanie w praktyce zarządzania*, „Prace Naukowe Akademii Ekonomicznej im. Langego we Wrocławiu” 2008, No. 1198; P. M. Senge, *The Fifth Discipline: The Art & Practice of The Learning Organization*, Crown Publishing Group, New York 2010.

⁴ more on this subject: Z. W. Dudek, *Podstawy psychologii Junga: od psychologii głębi do psychologii integralnej*, ENETEIA Wydawnictwo Psychologii i Kultury, Warszawa 2006.

⁵ after: G. Osbert – Pocięcha, *Wybrane narzędzia zarządzania energią organizacji*, „Przedsiębiorczość i Zarządzanie” 2013, Volume 12, Part III, p. 56.

organisational objectives⁶. Within the framework of energy management, it is also important to identify factors that contribute to generation of energy productivity. It should be clearly indicated that energy of individuals as well as energy of teams can also be destructive.

Figure 1 Matrix of organisational energy



Source: self-elaboration based on H. Bruch, B. Vogel, *Fully Charged: How Great Leaders Boost Their Organisation's Energy*, Harvard Business Press Books, 2011.

From the perspective of organisation's development the highest importance has productive energy. It is visible in the form of a high emotional engagement of employees, intellectual readiness (alertness), a high level of activity and speed of action, high satisfaction from belonging to the organisation. It is the only desirable and beneficial for an organisation kind of energy. Other types of energy are released in behaviours and unfavourable phenomena of varying intensity of potential negative effects. These include:

- Inertial energy – complacency

It is a kind of energy, which is sometimes referred to as comfortable energy. It means a waste of power, time and other resources in order to protect *the status quo*. In organisations, in which this type of energy dominates, is observed excessive referring to the past, dwelling on the past achievements, limited alertness, lack of ability and motivation to groundbreaking changes. In organisations, where “inertial energy – complacency” predominates, time and mental strength are wasted for the propaganda of success, which is often fiction, because the principle included in the saying “the one who stands still is to move back” has been activated.

- Inertial energy – resignation

⁶ H. Bruch, *Zarządzanie energią firmy w czasach kryzysu*, „Harvard Business Review Polska” 2012, No. 9, p. 14.

In practice, this means a relatively high indifference, detachment from what is going on in the enterprise, specific withdrawal going hand in hand with a sense of frustration and lack of ability to teamwork. A depersonalization appears in the interpersonal contacts, i.e. indifferent or even objective treatment of customers and co-workers. Managers and lower-level employees do not engage emotionally in the life of the company. They do not see the point in making changes. They waste time and potential of their creativity.

- Destructive energy

It is an energy which can be characterized by high intensity. Unfortunately, it is used in “a bad case”. It is characterized by a collective aggression and destructive behaviours, strong internal resistance of changes, focusing on maximizing individual, often selfish interests at the expense of the common good. The energy is invested largely in anger and fury, destructive in-fighting, rivalries, and people seeking opportunities only to harm others internally. And corrosion is infectious, just like a disease, so that highly negative energy quickly eats away all the human potential of the company (see Figure 1).

Energy states are not mutually exclusive. Companies typically experience, to varying extents, all four different energy states simultaneously. Professional organisation management requires diagnosing the distribution of each particular state of energy in the organisation. This means looking for premises and sources of the given state of affairs and taking action aimed at changing the “layout of power” between the presented types of energy. At the same time, it is necessary to remember that to the increase of the share of the destructive energy can contribute:

- undesirable competition between internal units (for example, between organisational units), selfish behaviours of individual interest groups, unacceptable management staff;
- to inertial energy causing resignation may contribute: too frequent changes of management staff, continuous and endless changes and the associated with them physical and emotional exhaustion, a lack of clear prospects for development;
- a syndrome of need for success referred to the past, lack of flexibility and alertness, strict solutions adopted within the management system, and fear of changes can lead to inertial energy evoking a state of complacency and sense of comfort.

2. Engagement of managers as a condition of successful organisational energy management

Researchers⁷ of the issue of organisation’s energy rely on the assumption that the direct influence on the “energy situation” in an organisation has the attitudes and skills of managers. Crucial to success is that executives actively identify and

⁷ cf. H. Bruch, B. Vogel, *Fully Charged: How Great Leaders Boost Their Organisation’s Energy*, Harvard Business Press Books, 2011.

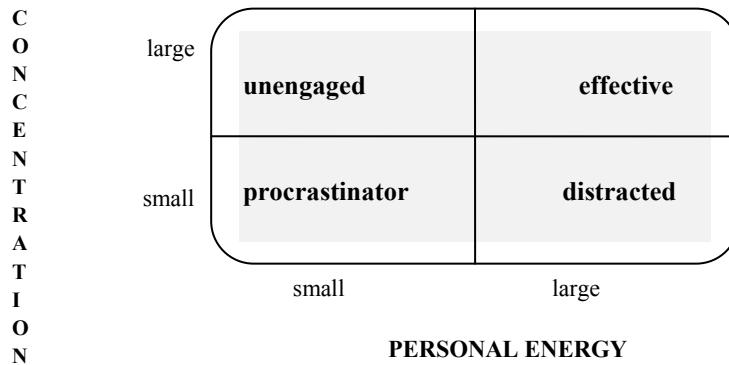
lead in the direction of the overall mobilizing focus using a corresponding set of leadership tools. H. Bruch and B. Vogel even suggest that the ability to trigger productive energy is the essence of organisational leadership. To do this, managers must present an attitude of engagement. From the perspective of management, the most important is the organisational engagement, which includes other types of engagement: work engagement, professional engagement, and interpersonal engagement in the environment of co-workers⁸. It can be said that engagement is a relatively permanent state of an employee leading to undertaking beneficial for the employer activities. It is a specific devotion to the organisation going hand in hand with a positive attitude to the workplace and the work itself. J. P. Meyer and N.J. Allen⁹, the authors of the model of organisational engagement taking into account various motives of engagement distinguished:

- emotional (affective) engagement – it is an attitude of an employee who identifies with the organisation and its values and the standards adopted by the organisation considers as his or her own. Work is associated with positive emotions of an employee (an attitude: “I work here because I want to”). This kind of engagement correlates negatively with fluctuation and absence of employees, but has a positive influence on the quality of implementation of the tasks;
- lasting engagement – a person works because he or she has too much to lose leaving the job (e.g. attractive salaries, social security, a high position in the organisational structure, etc.). There is also no interesting proposals on the labour market. This kind of engagement can take two forms: “a high sacrifice” - large loss in case of resignation and “little alternative” (an attitude: “I work here because I have no other choice”).
- normative engagement – a person works because he or she feels obligated to the organisation. He or she feels gratitude and acceptance of values and standards adopted in the workplace. This kind of engagement is sometimes associated with some kind of moral duty: “I work here because I should.”

Figure 2 Matrix of the engagement of managers

⁸ M. Juchnowicz, *Zarządzanie kapitałem ludzkim a poziom zaangażowania pracowników*, „Zarządzanie Zasobami Ludzkimi” 2010, No. 3-4, 2010, pp. 57-58.

⁹ J. P. Meyer, N. J. Allen, *A Tree-Component Conceptualization on Organisational Commitment*, „Human Resource Management Review” 1991, No. 1, pp. 61-89.



Source: self-elaboration based on G. Osbert-Pociecha, *Wybrane narzędzia zarządzania energią organizacji*, „Przedsiębiorczość i Zarządzanie” 2013, Volume 12, part III, p. 58.

In the theory of organisation’s energy, the engagement of managers is examined in two dimensions: concentration, that is, the ability to focus attention on the given purpose and consistent striving to achieve this objective and personal power (understood as power that “pushes” the manager for the action, enables to overcome encountered barriers, to maintain time strictness during implementation of the selected targets). The concept of personal energy is associated with a high internal motivation of managers going hand in hand with a sense of professional responsibility, loyalty to employer, satisfaction from the opportunity to participate in making important decisions.

Among four types of attitudes of managers presented in the model (see Figure 2) only those with a high level of concentration and personal energy can be described as engaged. It is a group of managers most effective in their activity. “Procrastinators” put off problems until a later time and this is why they are the least efficient. “Unengaged” managers do not have emotional bonds with the organisation, and the “distracted” lose their concentration what causes that they are wasting time and emotional resources, hence they are unable to achieve objectives set up for them. In the light of the results of the research conducted by the team of H. Bruch, director of the Institute for Leadership and Human Resources Management at the University of St. Gallen in Switzerland¹⁰, only 10% of managers do not waste their energy by making a careful choice of goals and consciously striving for their implementation.

In this context, important is the question: How do successful executives create an organisation full of “batteries”? Organisations have to develop and foster a vitalising management system that allows and encourages all managers and employees to be sources of high productive energy.

3. A strategy of “Slaying the Dragon” or a strategy of “Winning the Princess”?

¹⁰ cf. Cole M. S., Bruch H., Vogel B., *Energy at work: A measurement validation and linkage to unit effectiveness*, „Journal of Organizational Behavior” 2012, No. 33 (4), 445-467.

H. Bruch and B. Vogel¹¹ indicate the possibility of implementing two different strategies¹² to increase the resources of productive energy resources in the organisation. These are: the strategy of “Slaying the Dragon” and the strategy of “Winning the Princess.” Their common feature is that they are based on mutual trust of members of the organisation, good relationships within the company and efficient leadership. The first of them refers to a very old principle that nothing unites the people and strengthens their engagement as their “common enemy.” The strategy of “Slaying the Dragon” is based on the syndrome of a besieged fortress¹³. It is a phenomenon based on arousing a sense of danger from more or less fictitious enemy. A social group, in this case employees, experiencing a sense of danger much more willingly gives up individuality for the homogeneity of the team and gives the power to those who declare safety assurance for the group. It should be emphasized that desire to meet the safety needs belongs to a group of motives strongly influencing people¹⁴. Indication by the management staff the external threats as well as mobilizing employees to deal with these threats most often means a large “upsurge” of energy.

Implementation this strategy requires current transmission of information about the situation “on the front,” but it also strengthens the confidence of people that they have the necessary competencies through which the organisation is able to cope with the threat. The role of leaders is “to describe the dragon,” that is identify the risks, diagnose its sources and potential consequences, and then direct the released energy to the common effective actions. This strategy is particularly useful if it is necessary to get the company out of the sphere of complacency. The strategy also works well in the situation of a crisis threatening the existence of the company. The success of the strategy of “Slaying the Dragon” is to a large extent determined by personality traits of formal and/or informal leaders. The probability of success increases when the head of an organisation or a team is a charismatic leader who has a clear vision and knows how to convince his/her co-workers to the vision. It must be a qualified person with an authentic authority.

Despite the obvious benefits that may arise as a result of the strategy of “Slaying the Dragon,” it is necessary to remember that this is a way of action possible to use in a specific, usually limited time. Even in conditions of hyper-competition, in which currently exist economic entities, it is impossible to fuel the energy forever, based on the philosophy of “besieged fortress.” It is also impossible to generate, for a long time, engagement and above-average employees’ activity based mainly on negative emotions: feeling of threat and uncertainty. This entails a

¹¹ H. Bruch, B. Vogel, *Fully Charged: How Great Leaders Boost Their Organisation’s Energy and Ignite High Performance*, Harvard Business Press Books, 2011.

¹² The strategy is understood as a response of an organization to the environment, a way of its behaviour in the face of problems, a set of behaviours (cf. K. Ćwik, *Elastyczność i innowacyjność a zachowania strategiczne przedsiębiorstw*, „Prace Naukowe Uniwersytetu Ekonomicznego we Wrocławiu,” 2007, No. 1187, p. 47).

¹³ G. Hartley, *Podręcznik manipulacji*, Wydawnictwo Bellona, Warszawa 2011, p. 159.

¹⁴ J.M. Moczydłowska, *The Safety Need In The Light of The Research on Motivator Stimuli*, „Przedsiębiorstwo i Rynek” 2011, No. 2, pp. 33-40.

number of consequences of a psychological nature: burnout, addiction to work, neuroticism, and others. A separate issue that requires deepened research is the ethical context of this method of management.

As far as “Slaying the dragon” requires a high level of energy and courageous and decisive leadership, “Winning the Princess” needs a gentle, inspiring and empathetic leader who is able to release human passion, induce interest, fascination and a sense of belonging. This strategy assumes that the productive energy can be drawn not only from the potential threat, but also from positive premises, especially from belief in one’s own abilities and willingness to undertake new challenges. It boils down to building a vision of an organisation and indicating possible to use opportunities, consistent communication of these possibilities, stimulating enthusiasm and ambition of employees, strengthening confidence of people that are able to achieve objectives associated with these possibilities. This strategy may be particularly valuable at transferring the company from the sphere of resignation to the sphere of efficiency.

The role of an executive and senior manager must shift substantially. While working with the “Winning the Princess” or “Slaying the Dragon” strategies the top team is the battery to boost energy. Sustaining productive energy asks for a network of ‘batteries’ throughout your company - that means many, if not all, managers and employees have to be sources of high productive energy. Then organisation’s achieve what we call a proactive sense of urgency in the entire organisation¹⁵.

Summary – directions of development of the concept of organisational energy management

Sustaining energy is a leadership challenge for successful companies: how can organisations that were destined to get to the top stay at top in their industries, stay agile and keep growing or changing? How can companies avoid the company falling back into comfortable energy, resigned inertia or corrosive energy? Sustaining energy refers to leadership that facilitates a proactive sense of urgency among all people in a company and helps organisations to maintain high levels of activity, alertness, and emotional involvement over the long haul. The concept of organisational energy management seems to be interesting not only cognitively, but also valuable from the perspective of the practice. However, in order not to make it another “fashion of management,” it requires further deepened research. As justified we regard the following problems:

1. What measures can be used by managers willing to diagnose a level and type of organisational energy in enterprises and other organisations managed by them?
2. What are the main factors strengthening the productive energy of an organization?
3. Can such phenomenon as surplus organisational energy appear, and if so, what kind of challenges does it raise for managerial staff?

¹⁵ B. Vogel, *Leadership to Boost...*, op. cit., p. 6.

4. Are there any specific conditions of organisational energy management resulting from such variables as the size of the company, ownership, location or industry in which it operates?
5. What is the relationship between the concept of organisational energy management and other theoretical constructs in the area of human resource management, particularly management by engagement?
6. What are the psychological and ethical determinants of the usage of the concept of organisational energy management in practice?

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