The Future of Media Companies:
Strategies for an Unpredictable World

Alfonso Sánchez-Tabernero

The Media Market and Chaos Theories

Owners and managers of any company are constantly on the lookout for factors that will provide them with competitive advantages in the future. All choice means giving priority to one option over other possibilities: is it better to grow quickly or to be less dependent on third party capital financing? Should personnel receive better training and be more highly motivated or perhaps there should be cost cutting on staff. What is more useful? To be stronger in content production or in distribution? What would bring more advantages? Improving product quality, modifying the distribution system, investing more in promotion or bringing the sale price down?

In practice, there are two kinds of business decisions (Vila, 1997):

a) Some are "hygienic": correct choice is not the issue because the advantages are clear and the drawbacks are minimal or non-existent; in these cases, the management's aim is "not to lose" because choosing well is not about success: newspapers' market success has nothing to do with printing-presses, radio stations do not owe their popularity to their transmitters being situated in the right place operating at the right power and pay television stations do well not because they have enough decoders, although all of these factors are vital for survival in the marketplace.

b) In contrast, the "critical" decisions – such as the questions posed initially – involve making a choice between possibilities which include a reasonably balanced set of advantages and disadvantages. To make the right decision here will mean business success later on because it prepares a company to compete in a singular way, enabling it to offer the public a product or a service with value, which its competitors will find hard to imitate.

"Critical" decisions require an exercise in thinking ahead (Hout & Stalk Jr., 1998): as well as understanding where their own company and the market are placed, managers must be able to predict future changes; but what happens later on depends on a host of human choices which are largely impossible to predict.

The history of how the mass media has developed is scattered with examples of predictions made by "experts" that never materialized. Radio was the first to

fall victim to their crystal-gazing; when it first made its appearance many mistakenly believed that the sale of the radio set and not advertising sales would be the main source of revenue (Schulberg, 1994). Later on, when it had achieved huge audience ratings, many augured the demise of newspapers, up to the point that in some countries it was ruled that news bulletins could not be broadcast until early evening; however, radio's development coincided with a period of expansion of the newspaper industry.

Predictions for television proved just as wide of the mark. During the period of the Second World War, again it was thought that radio and the print media were on their way out. And hardly anyone believed that pay television would ever be a profitable business with all the free television on offer to the public (Inglis, 1990).

When new commercial channels appeared, the "experts" were sure that this would mean higher circulation for the weekly TV magazines; in fact, the opposite happened. Television channels embarked on competitive programming strategies; programs advertised in the magazines were not those shown on the channels so, in the end, they became irrelevant for readers.

When commercial television stations started broadcasting more of the popular sporting events it seemed the obvious result would be lower circulation figures for the sporting press because most people would not be interested in reading about something they had already seen the day before. However, the sports newspapers discovered that, in sharing with their readers the thrill and excitement they had experienced through television, they could increase sales. So, the track record for media "experts" as fortune tellers has not been a particularly impressive one. In this sector, those who stick their necks out to make predictions about the future are confronted by an enormous difficulty: changes are ruled by political, legal, economic, cultural, social, demographic and technological circumstances and it is not an easy task to discover how each one of these factors will affect companies and their competitors.

Some economists, such as Keynes, have stated that analyses of the future lack a scientific basis so there is no sense in working out long range strategies; what can be done is prepare companies to make the most of opportunities and deal with immediate challenges (Keynes, 1936).

Martínez Echeverría has summed up Keynesian skepticism with regards to the ability to predict the future in the economic arena: "The decision-making process involved in making long range investments became enormously complex. It depended on the savings available which, in their turn, depended on consumption predictions which, in their turn, depended on revenue predictions which, in their turn, depended on investments already carried out. Thus, a causal chain was created between expectations and fulfillment, between the future and the past, which was highly complex and unstable. In Keynes' opinion, long range investment decisions were based on little more than guesswork or acting on hunches derived from an insignificant and irrelevant piece of information about the future (Martínez-Echevarría, 2001).

Even popular folk wisdom knew about this form of successive dependencies and their subsequent "domino effects": "For want of a nail, the shoe was lost. For want of a shoe, the horse was lost. For want of a horse, the rider was lost. For want of a rider, the battle was lost. For want of a battle, the kingdom was lost..."

Keynes' writing, which had undoubted influence on his generation of economists and other scholars' research at the beginning of the twentieth century, caused the project of Illustrated thought to founder: that we could unerringly know how the universe would evolve. Reality collided with the dream of those who had put their faith in the Enlightenment and Positivism; the more we learned about human behavior the more remote became the possibility of reaching "scientific" certainties about the future. Laplace, at his most enraptured at the supposed infallibility of experimental science, even suggested that the evolution of the universe could be worked out by the use of infinitesimal calculus. However, as the second half of the twentieth century drew to its close, mathematicians, physicist and biologists had come to the understanding that processes of change could not be reduced to cycles or sequences because reality was chaotic and the way it evolved could not be repeated. As Gleick has pointed out, with wider study of the chaos theory, "Laplace's fantasy of a determinist predictability was swept away" (Gleick, 1988).

In complex and highly articulated systems, small impulses and events may generate multiplying effects: such is the case, for example, with the fluttering of a butterfly's wings which apparently in certain circumstances can cause a hurricane. The chaos theory shows that these impulses are so numerous that it is impossible to know how complex realities will turn out (Roldán Castro, 1999).

Often, sudden or unexpected changes are not the consequence of unforeseen events; rather, they are the result of the fact that, at each moment in time, numerous factors come together: some may cancel out others or, conversely, their effect may be magnified, just like a lever, with the result that a great range of reactions can be triggered off; for this reason, despite the enormous amount of information available, we cannot forecast what the weather will be like in our city in two months' time just as we cannot predict what will happen in the stock exchange.

Weather or finance experts are extremely clear at explaining causes: why there was a hail storm or why the stock market collapsed. What they do is discover and tell us how the main elements of these systems have acted together; however, there is a huge gap between the ability to explain the past and being able to forecast the future because the chances that, over a period of time, the self-same situation will be repeated twice are highly unlikely.

For instance, in the world of the stock market, we could ensure that two identical scenarios always generate the same effect: the same rise or fall in shares. But an identical situation is never repeated within such a varied set of factors

such as investors' expectations, domestic consumption, public deficit, price of money, commercial balance, a crisis in importing or exporting countries, an armed conflict, good or bad harvests, discovery of new energy sources, etc.

The media industry belongs to this group of complex, delicately balanced systems, based on highly articulated mechanisms. This means, as Beinhocker has stated, company strategies should not be based on predictions for the future but be adapted to a likely scenario of possibilities (Beinhocker, 1999).

Well conducted external analyses of present and future expectations are needed for strategy formulation. However, reality is becoming more and more unpredictable. Highly focalised and rigid strategies can only be applied to scenarios with zero uncertainty; in contrast, globalization, technological development and frequent changes to the legal framework all mean that media companies must develop a whole host of evolvable and flexible strategies which can respond quickly to unforeseen events which will inevitably crop up in the future.

Stacey argues that the existing "maps" and management principles which are widely accepted "are only useful for identifying the courses previously taken by others" (Stacey, 1994), but they are no use at all when they must map out new routes where no-one has ever gone before.

The surfeit of copy-cat strategies, unfounded faith in planning and belief that the competitive arena will remain stable and balanced go some way to explaining the high mortality rate of many companies and that their moment of glory is all too brief. The best known lists of the top companies – such as the one published by the magazine "Fortune" – reveal that the leading companies keep on to their positions at the top for increasingly shorter periods of time. Evans and Wurster have studied an extreme case of a change in the "rules of play" in the encyclopedia business: the "Britannica", the leading brand name in the sector, was selling at a price which varied between 1,500 and 2,200 dollars when Microsoft launched its encyclopedia on CD-ROM "Encarta" at the price of 50 dollars. (Evans & Wurster, 1997).

Clearly, it is important to realize that, unlike the changing seasons or the succession of night following day, the market is not bound by a set of predictable sequences. Rather, at each moment it enters a new reality, never experienced before and, although economic cycles exist, not one is identical to the one that has gone before, neither in its duration, nor in its intensity, nor in the type of recession or period of growth it experiences.

The new competitive environment is chaotic because it is impossible to convert economic reality into numerical sequences. As Pascale (1999) shows, it is more difficult to compete in chaos than to be successful in a stable market or, at least, a predictable one: today's advantages may turn into obstacles to progress tomorrow; progress is fleeting; rival companies quickly overcome entry barriers erected by hard work and effort.

Three Lines of Strength

Having said this, some lines of strength can be identified in the media market. Although in themselves they are not enough to decipher the future, they do allow us to hazard at what will be the most likely scenarios and discard other hypotheses. When the most efficient companies identify these trends they limit uncertainty to a certain extent: they are ready to compete in a chaotic environment, but not to follow an erratic path, because their strategy is anchored in some basic certainties.

These lines of strength are a) the public, b) competitors' strategies and c) the situation of the market as a whole. In these three areas, far-reaching transformations are taking place at a frenetic pace, conditioning how media companies compete.

One of the most important changes, as far as the public is concerned, is that there is now more spare time. For example, in 1850 American adults spent 70% of their disposable time working (excluded from this percentage is the time spent on eating and sleeping); in 2000, this percentage had dropped to 18% (Wolf, 1999).

Also, citizens of the most developed countries are increasingly more interested in and spend more money on acquiring information and entertainment products and services. In part, the increase in the consumption of the media is the result of greater supply (Internet, local and specialized television channels, more FM transmitters, free press, etc.). However, other sectors have also added leisure and entertainment complements to their basic business: many air-lines, restaurants, shopping centers and bookshops have come up with various ways of entertaining their clients in the belief that this will be a critical competitive point in the future. So, we have seen the introduction of in-flight films and interactive services, coffee shops in book shops and shows and games for children in shops and restaurants.

This trend shows that the growing interest in information and entertainment is not artificially generated by media companies; it is understandable, then, that some companies have sold off a good chunk or all of their assets unrelated to information and entertainment in order to concentrate on managing these services: Westinghouse has become Viacom-CBS, Géneral des Eaux was transformed into Vivendi-Universal, Pearson got rid of its porcelain business and financial services and almost all the large telecommunications companies have bought into the sector of production and distribution of television contents.

Also, short, emotion based messages produced by on-line or audiovisual media are now more easily assimilated by the public than longer contents in print which have a more logical and rhetorical style. This is particularly true of young people, referred to by some authors as the "videoclip generation" or the "MTV generation" (Banks, 1999), used to listening to three minute stories with a simple story line.

Almost all the mass media are developing towards short and simple narrative structures: newspapers have more color, photographs and the use of graphics and each news piece contains fewer words; television news include more news items which are shorter in length and more spectacular; radio is also undergoing changes in its format; and many conventional media now offer greater choice through their web pages.

The public also demands more choice, preferring an "à la carte" menu rather than the traditional one-dish only meal. Until the end of the twentieth century the scarcity of media available – especially in the audiovisual area – justified the fact there was only a little on offer in the generalist field, suitable for society's lowest cultural common denominator. Technological development has meant extraordinary growth in audiovisual media and spectators have become used to being offered contents which cater for their own personal tastes.

The fact that demand leads supply could contribute to solving some of the ethical problems in the field of television. As Gilder (1994) explains, "television is not vulgar because people are vulgar; it is vulgar because viewers share similar basic interests and differ profoundly in their higher preferences". The appearance of channels with a business model which is not aimed at achieving high audience ratings will bolster the production of audiovisual contents which are not based on sensationalism and vulgarity.

Lastly, the public prefers contents which they can identify with. It is indeed paradoxical that just when we have reached a point in history when globalism is the keynote and more political, economic, cultural and mediatic interconnections are being forged, the public seek contents close to their own lives.

As De Mooji shows, the contradiction between globalism and localism is only apparent (De Mooji, 1998); globalism produces sensations of insecurity, fear and confusion so there is a certain logic in people attempting to counteract these feelings by showing greater interest in local community issues.

This is not just restricted to a geographical concept: immediacy in time also expresses closeness (reflecting the rise in "real time" services), or what becomes close by the way it is told, which explains the ever increasing use of "human interest" stories: a face showing suffering or an interview with a person who has gone through enormous suffering or injustice is much more powerful than the plain statistics of a disaster.

In the media market other trends or lines of strength are points which rival strategies hold in common. Each company has its own particular strategy for competing in the market but there are some features, positive and negative, shared by most media companies.

Some are explicit goals, such as growing in size, entering new markets and diversifying assets (Chiesa & Manzini, 1997). However, companies also share weaknesses and dangers which are not always adequately addressed, such as the proliferation of teams who have lost their motivation, are dissatisfied with management and are uncommitted to corporate goals. Greater size,

international development and multimedia diversification have brought added problems to uninnovative, poorly managed companies which, up to now, have managed to survive in a less competitive environment. Today, there are more rivals and many have large scale economies, huge financial resources and experience in other markets.

The weakest point of rival companies is often found in their personnel's lack of motivation. Companies usually start off with a small staff all sharing the same goal. They feel close to the manager heading their team who proposes attractive and challenging goals; the company's flexibility and internal cohesion means that it grows; but, as time goes by, the initial corporate objectives become less clear, management is not so close to their staff as they used to be and those who are passed over for promotion begin to feel neglected.

Often, ethical mistakes made by owners or management can add to employees' loss of motivation: when training is not invested in, when there are unjustifiable discriminations and when the chief executives seem to be obsessed by increasing profit margins at any cost, personnel begin to lose interest in the company's projects.

Disillusioned teams are a weakness which can have serious consequences for media companies who require talent, initiative and commitment from their best staff to ensure quality products and services (Rheinberg, 2000). This real Achilles' heel is the reason behind many organizations' decline.

Thus, a paradoxical situation arises: companies progress because they are united; that factor encourages growth and, with the passing of time, an unwanted side-effect is produced: it contributes to the deterioration in the atmosphere and in the level of staff-commitment. Only excellent organizations are able to overcome this vicious circle and – despite the increase in size – keep their staff highly motivated.

Lastly, we can identify a trend which affects the market as a whole and is, in part, a consequence of the two lines of strength already mentioned: with the public demanding more information and entertainment contents suitable for their personal preferences, the number of companies distributing these contents is constantly growing which logically results in a more highly fragmented media market.

In Europe and the United States the trend is for leading companies in the daily press, magazines, radio and free and pay television to have a smaller percentage of the market than they held ten years ago (de la Porte, 2001). With the exception of newspapers, where figures have stalled or fallen in some countries, the number and variety of offer has grown significantly in the other sectors.

Also, new media have emerged or been developed which supply information and entertainment contents. In this area, Internet has seen the most significant rise with the appearance of a vast array of on-line services; but we should also not forget the success of free newspapers and magazines, interactive programs and other audiovisual contents such as video on demand and pay per view.

All of these factors go towards making for a more versatile and complex market, with a greater number and variety of offers, with fewer situations of monopoly, and with fewer chances of survival for poorly managed companies. The wave of mergers and takeovers in the sector has been the logical response to a fragmented market where leading companies must make greater efforts to stay ahead. In this context, CBS' evolution is significant. In 1989, this television company owned one channel which achieved ratings of 21% in the American market. Ten years later, the Viacom-CBS group had grown significantly: it owned seven channels in the United States: CBS, MTV, VHI, Nickelodeon, TV Land, TNN and CMT. Between all of them these channels achieved a rating of 21.2% (Dempsey, 2000).

In short, even though it has become harder to predict how the market will develop, there are three elements which will largely condition the future: people spend more time on information and entertainment but at the same time they want contents close to them in some way, which are uncomplicated and cater to their personal preferences; competition is tougher with more and bigger companies, but often with personnel who are lacking in motivation; and markets are fragmented, so that leaders stay on top for shorter periods of time and tend to achieve smaller market quotas than in previous decades.

We will now attempt to indicate how media companies need to prepare themselves to compete in these highly complex conditions. Despite there being no universally valid strategies, there are some qualities which are growing in value and some inadequacies which increasingly lead to failure.

The "Critical" Aspects

A problem shared by most companies is how to grow in size. Economic advantages, psychological reasons (megalomania) and undoubtedly the influence of stock markets all play their part in this obsession with growth.

Indeed, the stock market rewards companies a) for high returns (meaning profits now), b) for diversifying (this implies greater security, less concentration of risk) and c) for growing quickly (because there is a greater chance of earning profits in the future).

However, growth must be the end-result (the consequence of good management) rather than the company objective: often, the best strategic choice for a company will be to grow; in some cases, size will be a critical element, vital for the company's progress. However, on other occasions, competitive ability is not directly linked to size. In practice, almost every day we hear about large companies in crisis, forced to lay off part of their workforce or declared bankrupt unable to withstand the onslaught of smaller more innovative and efficient organizations.

In the same way, diversification should not be held as an immutable dogma, among other reasons, because the advantage it brings – less risk – may be

cancelled out by exposing another weak point: the company's loss of specialization.

Neither should higher returns be the management's goal but rather good government. If this is not so, as Hamel states, the wrong course is taken: "Flabby companies start a strict diet. Overheads are brought down, assets are sold off and costs are cut. Even though revenue growth is slack, margins soon expand. But in the end there is always a limit to the amount of profit the best managed, most efficient company can extract from a fixed amount of revenue" (Hamel, 2000: 38).

To confuse aims with effects is disorientating for companies: a management which has an under-performing product and an unmotivated workforce may squeeze out more profits; slashing financial costs, cutting back on overheads and expenditure on material and staff will do it. But perhaps they do not realize that, as the popular saying goes, "there is no point in flogging a dead horse": the best idea is to dismount and look for another horse, find another interesting idea and a team able to give shape to it. As Hamel himself also indicates "there are other strategies. Maybe the rider can be changed. Maybe a committee can be called to study the dead horse. Maybe benchmarking can be carried out to see how other companies ride with dead horses. Maybe it can be defended that it is cheaper to feed a dead horse" Hamel, 2000: 55).

Personnel are the core of media companies. Print, audiovisual and interactive media offer ideas, opinions, explanations of reality, context, fiction stories... The quality and singularity of these information and entertainment contents is what gives them the successful competitive edge enabling them to construct long range business projects. Financial resources or the production and distribution instruments are not what make the contents attractive: a newspaper's success is not because it has a great printing-press; a radio station does not get top ratings because it has excellent technical coverage; a television channel does not beat its rivals because it has high quality cameras or because its research department is wonderful. All these instruments are necessary in order to compete, in the same way as a cyclist needs a bicycle to take part in the race; but victory will depend on the cyclist, his training, his gritty determination, his tactical sense and how he works with the rest of the team.

Choosing the right people, establishing long term training plans and creating a climate which encourages a high level of motivation are the basis of personnel management (Lanz, 1998). To a large degree, getting the people right – coordinated and able personnel – is a way to safeguard the future of media companies.

The most frequent mistake when appointing staff is to give nearly absolute priority to urgent or immediate needs, even though they only relate to the moment: frequently, management hardly stop to question which candidate would be the most useful to their organization a number of years down the line.

Usually, companies do not give enough importance to aspects relating to potential for development: for example, identifying those who are quick learners, who are more likely to identify with the company philosophy, which candidate can be more easily motivated, etc. Or, from the other angle, who tends to lack commitment, who is a trouble-maker, who is quick to fly off the handle or finds team work difficult.

Media company owners and executives must be on the lookout for certain traits in their teams which are indicators of the ability to learn and apply acquired knowledge: emotional maturity, energy, professional and personal honesty, creativity, drive, ability to get on with others, the desire to help others, ability and imagination to think up new opportunities, talent and a usually positive perception of their own work and private life.

They should also set up long term training plans, aimed at such carefully selected staff. Getting selection and training right means that they are both reinforced by each other: training plans are particularly effective when they are aimed at talented professionals who are eager to learn (McCarthy, 1997).

Certain methods improve professional staff training with little outlay: for example, moving people around from one section, department or work area to another. This helps to provide a more comprehensive picture of what the company does because getting an all round vision helps to stave off stale routine; by providing a well-organized, accessible library with carefully chosen books people are encouraged to study and read – habits which have not always been acquired at university, even though they are the bedrock of the ability to make informed decisions and to have command of a rich vocabulary – requiring news stories to be well researched, dubious sources be checked and the effects of fiction programs be analyzed; organizing in-house seminars and discussion groups, etc.

The returns on these activities are rarely discussed because – as we have said – they do not need huge investment; but they are not put into practice more often because of the excessively routine approach of many companies and managers' lack of creativity.

Many media companies do not bother with other ways of improving training because they are more costly and so there is no implementation of effective methods for improving the quality of work in their organizations: refresher courses and specialization courses, study days and self-criticism, etc.

In innovative societies, people face an enormous challenge which must be turned into an opportunity: the need for on-going learning. The workforce can rise to this challenge if the company ethos is motivating and inimical to the cultural and professional stagnation of its teams (Tilles, 1998).

In some companies – perhaps their management is not based on professional criteria – staff motivation is still viewed as a utopian dream, so out of reach that it is not worth even trying to work towards. This view is often the result of a lack in long term planning, an obsession with immediate results or an extremely negative view of humankind.

In the past, the use of authority and other coercive methods formed the basis of business organization systems. Against greater or lesser internal resistance, proprietors and executives managed to impose their criteria and achieve the order necessary to successfully compete in the marketplace.

However, authoritarian structures have lost their effectiveness, because the circumstances in which they emerged have disappeared: low cultural levels, extremely slow social change and little need for innovation. In the new economic environment – and, especially, in the media industry -, authoritarian systems have little to contribute towards achieving business goals.

From this anthropological and organizational viewpoint, then, the best course of action is to establish the right conditions so that the traditional dialectic approach of confrontation between leaders and the led is replaced by a climate of co-operation. The "humanist style" also involves finding a balance between capital profit and staff earnings (Rodríguez Porras, 2000).

Practical solutions will depend on internal and external circumstances: but, whatever the case, personnel policies can only benefit from placing greater value on the subjective sense of work (the enhancement of the individual who is charged with carrying out the task) than on the objective sense (efficiency of the task).

If innovators are to prosper, media companies must show they value initiative. In this sense, some organizations have established non-economic rewards as a means of promoting greater commitment and identification with corporate goals in the workforce; for example, people who show greater initiative are given priority for specialization courses, and for taking part in research teams or choosing the section or department they wish to work in. It is also a way of unburdening the most creative and committed people of some of the more mundane tasks.

Internal communication is essential for staff to be fully involved in corporate goals: teams of individuals can only make management projects their own when they are fully in possession of the facts: they know what the driving force is behind them, what the goals are and what means are to be used for reaching the market quota and the predicted business volume (Lawrence Ragan Medias, 1996). The experience of many companies also shows that when there is internal transparency risk is much less. However, when the workforce is unmotivated and managers are badly informed risk becomes greater.

Internal communication can make use of several instruments and methods to ensure fluidity and quality in the message flow: detailed economic reports which are comprehensible and accessible to any employee interested in them; formal and informal channels of information which can be used by managers to explain business points of view, the main strategic objectives and particularly problematic decisions; and other media mechanisms which permit the transmission of ideas and suggestions "from down up".

In all probability, a well selected, highly motivated and properly coordinated team, eager to stay at the forefront in expertise, will produce high quality

contents contributing to the greater prestige of the media and company for which they work. Over time, their good name can be consolidated by the value of branding.

Together with the quality of the offer, a brand name can be enhanced by other external means: publicity campaigns, sponsorship of cultural and sporting events, changes in corporate identity, public relation campaigns, etc. But, the public perception of the brand on the street must tally with its projected image if its value as a brand name is to stay the course. People distrust and reject a brand when the values attached to it bear little resemblance to what it actually is. As the magazine "Perspectivas" remarks, "the brands with real value in the market are those offered by the branded media: either branded by history or because they really are different and valuable; in short, because they are authentic and they inspire trust. To have a branded personality is the best strategy for standing out in a crowd, especially when this crowd is getting bigger by the day" ("Perspectivas del mundo…," 2001).

In practice, when a media company has a brand of value, it has in its hands an invisible asset which can generate huge earnings: for example, the most successful films are no longer just products. They are now brands which give rise to the launching of new versions or the sale of merchandising products; BBC, ESPN, Canal+, CNN, Sky or MTV have generated and given their names to other television channels, magazines, web sites and record production businesses; also, prestigious financial and general news newspapers, magazines and television series use their brand names to introduce new information and entertainment products into the market.

Internet is an excellent laboratory for researching the effect of the constant appearance of new services. Only an extremely small percentage attracts the attention of users whilst the rest do not manage to get themselves known by potential customers or to differentiate themselves from their competitors. This is the reason for the extraordinary investment in marketing – in the creation of a brand – which companies are forced to make if they wish to have any kind of real presence on the Net.

Brands differentiate and identify, simplifying the consumer choice. They are the badge of authenticity and help to win and hold on to customers. When media companies look after their teams, give priority to product quality, promote a favorable climate for innovation and protect the value of brands, they are looking to the future. Because they are in the market for the long haul they are not out to reap rich financial rewards in the short term.

A New Form of Management

Organizations' survival increasingly depends on leaders who guide, motivate and train a younger and less expert workforce. Leaders discover new talents and place the best people in key areas. As Drucker has pointed out, this task involves "liberating resources committed to maintaining something that no

longer makes any contribution to performance or gets results. What is more, it is impossible to create the future if we don't first get rid of the past" (Drucker, 2001).

The most effective remedy for organizational barriers keeping out initiative and for managers who are wary of any change and are fearful of failure is a spirit of innovation. There is only one way it can be introduced into companies: seeking out and encouraging people with the ability to lead change.

Companies need leaders who are courageous enough to overcome resistance to change (Bennis & Nanus, 1997). Being courageous means being predisposed to take the right path, even if the decision implies taking on risks, putting the workforce's reputation on the line, moving other people out of their comfort zone.

Leadership is much more the result of learning than "nature". A good number of its requirements are moral habits – courage, integrity, constancy – acquired through the repetition of concrete actions. Other leadership traits have more to do with aspects pertaining to expertise or experience rather than willpower, but they are perfected through personal effort: intuition, logical sense, taking risks, trusting others, self-analysis, creativity and the ability to communicate.

People's different personalities give a particular stamp to management styles. Some leaders have great charisma and other have a greyer style; some make their presence felt in their companies and others are hardly recognized; some are loquacious and expressive and others are sparing in words; some inspire affection and others respect; some hold privileged positions in their companies and others find themselves more modestly placed.

In any company there are many potential leaders, many who have the desire to innovate and the ability to mobilize those around them. Seeking these people out and giving them support is one of the effective tasks managers can undertake: this is how they will develop all the organizations' entrepreneurial capacity (Krogh, Nonaka & Ichijo, 1997). In this area, academics can also provide a valuable service to media companies.

When we take a closer look at media companies that are struggling, we discover that the usual reason for their woes is the lack of leadership. What are identified as problems – falling circulation figures, lower market quotas, poor profits, loss of prestige, a workforce which has lost its way, etc, - are really the outward manifestations of much deeper negative phenomena: an inability to innovate, to develop new ideas, to adapt the company's strategy to a changing environment.

If a unifying and humanist management style is to be achieved, those in charge must be able to listen and discuss. They must also possess qualities such as: patience, understanding and tenacity and they must know how to train those who one day may eventually take their place instead of trying to appear indispensable and irreplaceable. They must also encourage the most able in

their professional careers, stimulating innovation, encouraging those who wish to learn and promoting team work (Pérez López, 1997).

These qualities can be made tangible in practical ways of channeling the initiatives and proposals put forward by personnel and they will also mean management has greater interest in what the public, those who sell the product, suppliers and advertisers and advertising intermediaries have to say. Despite the greater effort involved in the processing of this flow of messages, the ideas received from those who daily tackle problems and opportunities mean that working practices and the quality of information and entertainment products and services are being constantly honed. The type of leadership required by media companies is not of the kind which has a good grounding in mathematics, statistics or technical skills. What is needed is an ability to communicate with those who make up the workforce of the company; an understanding of the nature and effects of communicative actions; anthropological knowledge of why people behave in the way they do; and a strong belief that investing in the right people is the most intelligent decision for any company.

Integrating managers work with their employees in exploring quality control methods for contents and production and commercialization systems. When they have detected the company's strong and weak points, they transmit enthusiasm and determination to those who depend on them so as to render the best service possible to society, supplying the public with contents which are enjoyable, truthful and respectful of human dignity.

Although at first glance other management approaches may seem more profitable and less complicated, the experience of more than one media company demonstrates that the organizations that try to satisfy real human needs, working in a truly human way have a greater chance of achieving enduring success.

As has been pointed out, the media market is "chaotic", in the sense that there are innumerable dependent forces at work which can act as levers and produce domino effects which are impossible to predict. Any attempt to limit the level of uncertainty to zero is doomed to failure but companies with a well trained and talented team which is united, highly motivated, and looks after the value of its brands, have "critical" competitive advantages in the media environment.

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