

Human Resource Leadership in Highly Dynamic Environments: Theoretically Based Analyses of 3 Publishing Companies

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ABSTRACT This article explores the role of leadership and the effects of different types of personnel planning, hiring, and development in publishing companies. Based on three cases from the German newspaper industry, it finds that human resource planning is increasingly relevant to media firms, that many hiring practices lack sophistication and strategic orientation, and that development activities are relatively weak. The article suggests that greater attention to human relations activities should assist companies in coping with the dynamic environments currently faced by media firms and in preparing firms to develop and change as media markets are altered.

KEY WORDS: human resources, leadership, dynamic environments, newspapers, Germany

The impact of the increasingly dynamic context on leadership has been relatively neglected in research. A first supposition could be that leadership changes from directive or cooperative styles to self-directing attitudes when the context becomes highly dynamic. An explanation for this hypothesis is provided by the observation that highly dynamic environments force managers into very quick reactions. These reactions would be impossible if usual concepts of leadership are applied because those processes are too slow and usually undertaken far away from the problems encountered in highly dynamic markets. The media industries today represent typical highly dynamic markets because they are dependent upon technology and knowledge that ages and changes very rapidly and because their products and services constantly encounter

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highly volatile demand. The object of this article is to explore the characteristics and peculiarities of human resource management in media firms in order to help develop appropriate leadership approaches in a highly dynamic world. The human resource-related peculiarities of the media industries are explored through three case studies of German publishing companies. The results from the case studies are combined with the theoretical findings to build up a set of hypothesis for effective human resource management and an appropriate leadership approach in media firms in dynamic environments.

MANAGING MEDIA FIRMS

In order to analyze the peculiarities of leadership in media firms we first need to define the media industry and media firms. If we chose as delimitation criteria the firm activities, then all firms that produce or distribute media products in the market can be regarded as media firms. Media represent those products that aim at communicating opinions, information or culture (Wirtz, 2000). This definition usually applies to the mass media, i.e. media characterized by having one sender and an indefinite number of receivers (one-to-many communication) such as newspapers, magazines, books, radio, and television. The technical characteristics of the Internet allow though a one-to-one communication even when considering the classical media: through the Internet it is possible to develop an individualized newspaper according to the readers' requirements (Zimmer, 1999). This gives evidence of the occurring convergence of the media, computer and telecommunication industries which makes the delimitation of a market for the media industry difficult (Wirtz, 2000; Schumann & Hess, 2000). This articles deals with the strategic and operative management of human resources in media firms and specifically within the newspaper sector.

Managing media firms—and therefore managing human resources within these firms—means not only facing convergence, and therefore an expanded competitive environment, but also underlying to very different conditions compared to other industries. First of all, by diffusing content media firms create a form of public opinion which can influence society and democracy. This social responsibility places some media under governmental supervision (Wirtz, 1994). Second, media firms operate in specific markets. As their performance is dependent on both the information and entertainment (content) that they provide, and the advertising space that they can sell, media companies face several challenges. First, content needs to be relevant and targeted, and it must be able to respond to ever changing market demands (Ruhrmann, 1999; Hagen, 1999). Second, content is delivered in many more ways than it once was and media companies need to understand the relevance and importance of each channel they use, as well as to have the expertise to deliver through these channels. If they can do this, it is much more likely that they will be able to maximize advertising opportunities (Siegert,

1999). Third, media firms produce only part of the content they sell. Acquisition markets are therefore very important and they can also be seen as distribution markets. Moreover acquisition markets are relevant not only in acquiring content but also in acquiring human resources or financing.

The success of media firms on the different markets depends a lot upon the availability of appropriate human resources, which is bound to the financial resources of a firm. Markets are therefore very interdependent. Further, competition on the different markets takes place at the same time (Seufert, 1999; Schumann & Hess, 2000). This multidimensional interdependence of media markets affects not only the general management but also the human resource management and leadership within media firms.

For those firms operating in highly dynamic markets, professional skills and capabilities of personnel represent a critical success factor. Because media firms exist in a technology and knowledge dependent environment and demand in media markets is very volatile, only those firms whose employees have better skills at using technologies and creating knowledge can gain competitive advantages. Whether a media firm becomes a market leader or a market follower depends on its innovation level: only through innovation can media firms increase demand and therefore their profitability (Picard, 2002). As innovations are created and implemented by people, the combined investment in human capital and in research and development stimulates innovations and supports firm growth (Penrose, 1959; Romer, 1999 and 2000). Therefore, both the acquisition of skilled employees and employees' development constitute two essential fields of human resource management in media firms. Both are influenced by managerial choices. The rapid adaptation of skilled employees to changes in the world is a second major requirement, the fulfillment of which should be enhanced by and constitutes a major challenge for leadership. In meeting this objective, leadership can be people- and/or task-oriented depending upon the situation. However, leaders must be quick and effective. Because classical concepts of leadership do not place much significance on these factors, however, leadership has to change from a conceptual approach to one of intelligent improvisation.

MANAGING HUMAN RESOURCES IN MEDIA FIRMS

Managing human resources in a dynamic environment requires a firm to plan in advance both the quantity and quality of skills needed. Among these, the abilities to understand and learn rapidly are the most important and become crucial in company growth phases, especially when a firm operates in turbulent environments. This is the case of media firms that have to manage acquisition of skilled employees and redundancy of unskilled ones, sometimes simultaneously. The media industry's products and services have short innovation cycles. As a

consequence, permanent learning processes are required. Under these conditions we would expect media firms to 1) plan human resource needs because of the specific skills required; 2) introduce a redundancy plan in relation to the increase of fixed employees; and 3) plan the acquisition of human resources in order to minimize the risk of hiring wrong people. According to some experts (Klebon, 2002; Beckert, 2002), there is a general lack of strategic planning in human resource management. As a result, the idea of permanent change is the only valuable strategy. But even permanent change needs planning if a firm wants to be proactive instead of only reactive: planning allows firms to set up in advance alternatives that can be applied to anticipate competitors' actions and/or to react promptly to changes. Because media markets operate in rapidly changing environments, media leaders must know how to switch from a planning mode to a more entrepreneurial or improvisation mode in which all employees are asked to react quickly and directly instead of following a plan. In both cases the intrinsic motivation of each employee becomes critical and it is exactly this type of motivation that is needed to handle goal-oriented actions. Goal oriented and intrinsically motivated actions are the basis for appropriate and active self-leadership in a highly dynamic world. The higher the qualification, independence and learning skills of employees, the more the leadership style turns away from dependence towards participation and autonomy foreseeing concepts (Berthel, 1997; Bühner, 1994; Drumm, 2005). The more the managerial principles respond to the situational variables, the lower the transaction costs related to the supervision of managerial actions and to the faults adjustment in case of a wrong choice of the principle (Eigler, 1996; Drumm, 2005).

As pointed out earlier, the specificity of human resource management functions within media firms depends upon volatility of demand, the dynamics of the environment, and specific performances. However, the level of specificity varies with the size of the firm. If—for established firms—managing redundancies plays an important role because of the high demand elasticity and the volatility of products, then smaller firms operate with fewer permanent employees so dismissals are a less relevant option. In larger media firms, the leadership approach is similar to that of other industries, while in smaller firms leadership is focused on the relationship between the firm and non-permanent employees so that it results to be clearer and simpler (Donau Online). In addition, motivational issues are influenced by the size of the firm. If employees are not intrinsically motivated, they must be motivated extrinsically. This is difficult to do with permanent employees. On the contrary, as the renewal of their contract depends on their performance, non-permanent staff can be easily motivated extrinsically. We can therefore say that firm size and labor contracts represent additional factors that characterize the specificity of this dynamic and volatile industry. Finally, it can be questioned whether the characteristics of the media industry allow a strategic approach to human resource management or if personnel management is more a function of the leaders' "bricolage" capabilities

(Ciborra, 2002; Ivanov & Ciborra, 1998)—which can be called “improvisation talent”—within a media firm.

HUMAN RESOURCE MANAGEMENT FIELDS AND HUMAN RESOURCE PLANNING

Human resources are fundamental for a firm. A firm must think about their allocation and supply because needed qualifications are not available everywhere at all times. Appropriate human resources tend to be scarce depending on qualifications and on the tightness of the labor market. This scarcity, which is positively correlated to the qualification of personnel, can only be bridged through 1) the acquisition of personnel on the external or internal labor market; 2) education; and 3) development of not yet qualified employees (Berthel, 1997; Drumm, 2005). This requires time, so that the firm must think in advance about the type of qualifications and the number of people needed in the future to perform as planned. At the start up phase there is already a need for human resource planning. Later, growth processes usually uncover personnel needs which have to be preliminary satisfied through planning. During downturns, on the contrary, employees are moved to other positions or dismissed. The negative economic and social consequences of both alternatives can be mitigated through planning if dismissals are prepared in due time. Planning is therefore one of the most important functions for managing human resources. Decisions related to human resource planning can be differentiated into five different fields according to the scope of the decision: human resource need, human resource acquisition, human resource dismissal, human resource training and human resource development (Berthel, 1997; Bühner, 1994; Drumm, 2005). In this article we will concentrate on the planning of human resource acquisition, development and dismissal. These are the areas that are more directly related to and affected by leadership.

From the perspective of human resource oriented transaction cost theory, personnel planning is a set of preparing transactions aimed at closing a contract between firm and employees (Eigler, 1996; Drumm, 2005). The transactions occurring before closing the contract serve as preparation for a possibly perfect contract: the selection of personnel would be the step precursory to the conclusion of the contract, while personnel acquisition the step before personnel selection. From a labor contract point of view, the precursory step represents a transaction of initiation, while the subsequent step a transaction of supervision. The more precise and appropriate the transaction of initiation is executed, the fewer transactions of supervision and error correction will be needed (Picot, 1982; Williamson, 1985; Oechsler, 2000). This means that the higher the transaction costs related to initiation, the lower the costs related to supervision will be. If the firms tries to recruit employees with the desired qualifications through accurate acquisition and selection

processes (Elsik, 1992), the probability decreases that a correction of the labor contract through human resource development or dismissal must be undertaken (Drumm, 2005). In general, by given transaction returns, the sum of all transaction costs related to the closing of a labor contract should be minimized.

Planning human resource redundancies helps to determine the level of surplus personnel and to reduce it in a social acceptable way (Drumm & Scholz, 1988). From a transaction costs point of view, this planning represents a transaction needed to adapt an undefined labor contract to non predictable changes of tasks and working loads in the long run (Eigler, 1996). The search for employment alternatives for the freed up personnel causes the so called transaction costs of redundancy. The costs related to reactive redundancy measures are low, as dismissal is the dominant alternative and the planning efforts can be omitted. Accrued redundancy measures cause high transaction costs, though these are associated with positive effects on social objectives and on the firm's reputation. These effects can be used later on within a marketing framework to recruit personnel.

Planning human resources acquisition allows the firm to make the required personnel available when needed. In a broad sense this includes recruiting, selection, hiring and training of personnel in the new position (Oechsler, 2000; Drumm, 2005). Human resources acquisition minimizes transaction costs when its planned prearrangement measures are minimized. This happens when personnel is acquired internally. Internal personnel acquisition takes place through personnel training and development: the firm builds up the required capabilities by itself. Human resource development serves also as fulfillment of individual goals and as institutional assertion of continuous learning. From a transaction costs point of view, personnel development represents a transaction through which an undefined labor contract must be filled in after conclusion (Eigler, 1996). Accurate planning of human resource needs and acquisitions can help to specify the labor contract. The more precise the labor contract, the lower the transaction costs related to personnel development.

From this discussion we can conclude that human resource planning is crucial when considering personnel as a critical success factor. As in highly dynamic environments planning must be substituted or complemented by improvisation, the successful application of both planning and improvisation depends on the leadership approach.

LEADERSHIP

Leadership is typically defined by the traits, qualities, as well as behaviors of a leader, and is intended to influence followers to act goal oriented (Blake, Shepard & Mouton, 1964; Fiedler, 1967; Drath & Palus, 1994; Drumm, 2005). According to early approaches to the concept, managers can exhibit behaviors that fall into two primary categories,

namely “concern for people” and “concern for output”. Depending on which category was shown most frequently, the leadership style could be defined as people oriented or task oriented (Blake, Sheperd & Mouton, 1964; Bowers & Seashore, 1966; Reddin, 1970; Blake & Mouton, 1978; Hersey & Blanchard, 1982). A later approach to answering the question about the best way to lead dealt with the interaction between the leader’s traits, behaviors, and the situation in which the leader exists. These contingency theories make the assumption that the effects of one variable on leadership are contingent on other variables (Saal & Knight, 1988). For leadership to be successful both the leader’s style and the situation must be evaluated, along with the characteristics of the followers, and they must be adapted to each other (Shamir, House & Arthur, 1993; Lord, et al., 1999; Howell & Shamir, 2005). Further, culture management emerges as an important aspect of leadership. Leaders should know and understand what organizational culture is and modify it according to the needs of the organization as it grows (Baron, 1995). Managing culture involves establishing an explicit strategic direction, communicating that direction, and defining the organizational vision and values. This task has become increasingly critical. The economy is more service orientated and is shifting away from manufacturing, while the workforce is becoming older and more ethnically diverse. These massive changes in the workforce, the nature of work, and the structure of most organizations have lead to an information-based economy where capitalizing on the talents and intellectual potential of employees becomes increasingly important for organizational success (Wilson, et al., 1994). Competition for highly educated, talented people is therefore increasing while keeping people is a growing challenge: employees demand meaningful work and expect more responsibility and autonomy.

Furthermore, there is a need to increase speed and efficiency. Organizations are being forced to move faster, not only in terms of taking ideas to the market, but also in responding quickly to internal and external changes. The mindset and skill set required for leaders must take this situation into account. Turning from an authoritarian to a more participative leadership is not the question. The key is to look at leadership as a process—rather than as a concept—in which leaders are not seen as individuals in charge of followers, but as members of a community of practice. A community of practice is defined as “people united in a common enterprise who share a history and thus certain values, beliefs, ways of talking, and ways of doing things” (Drath & Palus, 1994). This definition may be thought of as a variation of organizational culture. According to this view, leadership is considered as the process of coordinating efforts and moving together as a group. This group may include a leader. However, the group members do not need to be dominated. Instead, everyone involved in the activity is assumed to play an active role in leadership according to the expertise he/she has. Successful leaders therefore take on new and different responsibilities such as coaching, motivating and managing relations

outside the group (Fisher, 1993; Dal Zotto, 2001; Drumm, 2005). Also, as employees demand for more responsibility, leaders must hold visions, values, assumptions, and paradigms that are in agreement with having a team-oriented, empowered workforce (Nygren & Levine, 1995). Understanding leadership as an evolving process means laying the emphasis on influence and support—from coaching and training to developing a learning environment—rather than on directing and commanding behaviors.

From a transaction costs point of view by influencing and correcting behaviors leadership contributes to the execution of faulty and incomplete labor contracts. The costs minimization of this transaction depends on the leadership situation (Eigler, 1996). Among the situational variables qualification, autonomy and ability to learn of the workforce have a special effect on the compatibility of leadership with the concepts of dependence, participation and cooperation as well as autonomy: the more positive the value of the situational variables, the more easily the leadership concept of dependence can be substituted by that of participation and participation by autonomy (Berthel, 1997; Bühner, 1994; Drumm, 2005). The more these concepts appeal to the situational variables, the lower the transaction costs of supervising and correcting leadership performance in case of a faulty selection of the leadership concept (Eigler, 1996; Drumm, 2005). In a highly dynamic environment such as the media industry, we can assume that employees work relatively independently and must therefore have high qualifications. Under these conditions permanent autonomous learning and self-leadership can facilitate closing and execution of labor contracts in the future. Therefore, a transaction cost minimizing leadership within the media industry is depicted by a process moving between the concepts of participation and autonomy.

In the following sections three case studies taken from the newspaper publishing sector in Germany will be employed to more specifically analyze the applicability of human resource management and leadership concepts within a highly dynamic environment. The case studies are based on in depth interviews with executives conducted at the end of 2003 and beginning of 2004, as well as archival data.

CASE 1

Organizational Structure of the Personnel Department and Type of Employees

The newspaper company A (NPA) is one of several companies within a larger media publishing group. Each company within the group has its own personnel department with a director responsible for the operating activities. Under the decentralized personnel department there are referees for human resources. This organizational structure is not typical of the media industry. On the contrary, it resembles the structure of

holding groups. The reason why it was chosen relates to the fact that in the publishing sector executives cannot afford to accomplish human resource related activities.

Within NPA we can distinguish between three different types of employees: the editorial staff, the printing people and the administrative staff. Only the journalists will be considered here as the other types do not require much support. Editorial employees are classified as versatile, occasionally chaotic, individualistic and highly qualified for their job. They usually work very autonomously: being that journalists' intellectual and professional independence very high, NPA asserts it in order to bind the best writers to the company. Many authors define themselves primarily as artists and then as journalists. This becomes evident when editorial personnel reject working for the regional issues of the newspaper: they consider the job as trivial. The chief editor is responsible for determining the daily publishing program, which he does not perceive as an authoritarian decision. Nevertheless the chief editor can limit the journalists' autonomy if in the interest of the newspaper.

The Internet journalists represent a special group. They are responsible for filling the NPA's website with news and cuts from the newspaper itself. Internet editorial workers must be quicker in their reactions and have higher adaptation capabilities compared with the newspaper editors. Furthermore, they must have specific qualifications to present news on the net. They can not therefore be substituted with newspaper journalists.

Human Resources Planning

Due to a decreasing demand for advertising, the group has been close to insolvency. In the last 5 years, massive restructuring measures, including the dismissal of 1000 employees, were therefore undertaken. At present, personnel planning consists merely of redundancy planning, which should allow better management of insolvency threats in the future. Growth plans are excluded for the near future. The interviewees admit that NPA does not have a systematic human resource planning. They assert though that this is typical for all newspapers and magazines.

Human Resources Acquisition and Selection

In the media industry, and especially in a leading daily newspaper, journalists are recruited through a specific process. They undertake a voluntary service and are hired immediately after completing this. Top journalists working for the major competing newspapers know each other very well. If a person distinguishes him/herself with outstanding articles within competing newspapers, the chief editor would ask her/him to join NPA. This hiring system is typical of all big newspapers and weekly papers. The competing strategy to try to keep editorial employees consists of assuring them of their need for independence and respecting them as special personalities. Compensation is less important for journalists than the possibility to apply their professionalism to shape

the newspaper. This culture of autonomy has been acknowledged as typical for NPA.

Candidates are selected according to two criteria: the first one is their expertise and professionalism in writing, which usually has been already noticed by the competition. The second criterion is the matching with the organizational culture of NPA: executives have defined it as individualistic, highly professional as well as artistic and autonomy oriented. Furthermore, as professional conflicts between editorial personnel always emerge, new employees are also tested in their ability to handle conflicts and to deal with colleagues.

Recruiting editors for the regional issues represents a problem for NPA as nobody wants to go to the province. A further problem relates to the fact that the previous focus on the newspaper as a product is being complemented by an increasing focus on customers and the market. This has a direct impact on the selection of human resources.

Leadership

The *newspaper* product apparently represents a motivating factor for journalists: this is a typical example of intrinsic motivation. All have a high professional interest to produce a good newspaper which customers like and appreciate. Because of the individualistic nature of editorial employees, the practice of leadership is limited to the chief editor. He decides which pieces are included in the newspaper every day according to the proposals of the different journalists. Compared to television, newspapers have a production process based on a stronger division of labor, which each journalist learns during his/her training period. This experience enhances the development of a networked way of thinking as well as of intrinsic motivation. Due to the large number and variety of subjects, chief editors can coordinate activities only on a framework basis and would fail if using an authoritarian style. Conflicts on the structuring of the newspaper are a daily issue among journalists. Leadership through discussion and conflict solving therefore helps to stimulate intrinsic motivation. Attempts to lead through objectives have failed until now in NPA.

Human resource development

Human resource development does not take place in this paper. Staff are trained but it is not formally offered as internal development. All possible techniques such as writing with a pencil or using the computer are allowed and it is unlikely that this will change in the near future. A strategic orientation of human resource related issues has been omitted until now because of the difficulty of the daily business. Entering the Internet is not seen as having been particularly successful.

Conclusions

Human resource management at NPA is highly influenced by the editorial activity. The NPA concept is in fact based on a group of well qualified individualistic journalists who produce a very good newspaper, which then has to find its customers across the whole country (Germany). The idea of the customer focus influencing the shape of an article is not conceivable for NPA. Editors are recruited through the voluntary program but in particular through head-hunting activities. They are afterwards motivated to stay by granting them autonomy of action. Acquisition planning and selection of editors for regional issues is missing, but it is necessary as few want to take on that job. Leadership exists only in the form of framework oriented coordination by the chief editor. As a result, we can say that the size of the company and the specific product culture strongly influence human resource management and leadership at NPA.

CASE 2

Organizational Structure of the Personnel Department and Type of Employees

The human resource department belongs to the services division within newspaper B (NPB) and it sits directly under the executive board. The head of the department has two assistants who process contracts and applications, and eight assistants who are in charge of the payroll accounting. The conceptual work is the responsibility of the department head. The human resource politics have always been influenced by the owner of the publishing company.

Human resources in the company are very heterogeneous. The most interesting types of personnel are the journalists and the employees in the service department: these are most influenced by the dynamic of the industry and the business itself. Editorial employees see themselves as artists and have a strong tie to the political and local daily events. Journalists participate strongly in the company processes. They have a high educational level and learn in an autodidactic way. This is one of the reasons why there are not many human resource development offers for them. Editorial employees like to take on risks and are not planning oriented. There is a new trend seen in the journalists' job: they have become more generalists and stopped dealing only with their special areas of interest. The archives of the publishing company represent a good leaning base for them.

Industry peculiarities within the human resource department arise from the dynamic of the market, the volatility of the products and the product specific risks of the industry. The clear structure of the department allows a goal oriented offer of human resource related measures. This contributes to reduce or at least control the chaos governed by an artist oriented culture.

Human Resource Planning

Planning problems could derive from the risks related to the acquisition of editors as well as of technical people. Until now these risks could be strongly reduced by the planning of human resources acquisition. For editorial employees, the risks of faulty personnel acquisitions could be reduced by requiring the completion of a voluntary program prior to employment. As for the selection of human resources, the company uses assessment center techniques. Within the logistics division, personnel planning is relatively easy and depends on the number of subscriptions.

Human Resources Acquisition and Selection

Personnel acquisition is facilitated by the voluntary program. The company relies also on the belief that needed staff will be easily recruited in the future.

Leadership

Peculiarities arise only when considering editorial employees. Until five years ago the owners of the publishing company strongly influenced NPB, which was characterized by a lack of formal organizational and leadership structures. These unclear rules have now been substituted with a clear structure of authorities/responsibilities. The most important leadership instrument used has become management by objectives, with a strong focus on customers.

Financial problems are new in the company and arose from decreasing advertising returns and declining sales figures (in constant terms). The introduction of a customer focus and of a clear organizational structure required the adaptation of all employees to this new setting. This was reached through both people and task oriented leadership. The company understood that readers' needs are crucial for the success of the products. As a consequence the company began to orient the employees, and especially the journalists, toward this new objective. This represented a change in approach because until 5 to 6 years ago, the journalists thought that a good newspaper was made first for themselves and than for the customers.

The customer focus has led to new requirements in terms of leadership. One of the most successful instruments turned out to be the specification of and agreement on objectives which allowed the company to narrow down the industry specific behavioral chaos of the employees. Editors have become more and more the superiors of freelancers. This new task first had to be taught to the editorial staff. Leadership was regarded as to be people oriented and not at all authoritarian. Authoritarian leadership would be incompatible with the self conception of the journalists.

Human Resource Development

For the editorial employees, personnel development is based on responsible, autodidactic professional training. Further, development needs are covered through specific seminars and other internal and external offerings. Subjects of the seminars have been, for instance, customer analysis to increase sale success and editorial coverage of NPB. Technical seminars on writing style and layout techniques have also offered to the editorial staff. For employees in the logistics and sale divisions seminars cover sale training, media related problems as well as circulation dimensions and computer training.

In general we can say that personnel development is important for a career path within the company. The change towards customer focus has generated a strong development/training need not only for journalists but also for people working in the logistics and sale divisions.

Conclusions

In contrast to NPA, human resource management at NPB is strongly influenced by the customer focus. Until 5 years ago the company could operate without a formal organizational structure and leadership. Now, NPB tries to manage journalists through agreement on objectives, so that products are made according to customer needs. Despite the more developmental approach to employees, there is no systematic planning of that development and strategic approaches to human resource management are missing.

Case 3

Organizational Structure of the Personnel Department and Type of Employees

All product types within the newspaper publisher C (NPC) are organized in profit centers, with a central unit providing human resource management services such as accounting, human resource development, labor rights and social system consulting and processing. Under this central unit some referees are positioned, each of whom supervises 250 employees. They work at an operative level covering all human resource management related fields and consulting the chiefs of the different departments. Strategic human resource management is a task for the board of directors.

Apart from the personnel working for the printing department there are only the journalists and the sales employees. Important characteristics of editorial employees within print media are—like in the NPA and NPB cases—individualism, professionalism, continuous learning processes, and collaboration capabilities. A mode specific qualification is requested of journalists working for the online editions of print media. Because content is perceived differently online, editors must not only be able to manage new technologies but also to bring

complicated content down to one simple point. Further, they must interact with media users. These two types of editorial workers—print media and online media—are very different and the exchange of competences between them is difficult.

Employees in the sales department must, on the other hand, have social and communication capabilities. This depends on the increasing dynamic of the single newspaper markets, together with the changes of readers' characteristics to which the firm must internally respond.

Human Resource Planning

Personnel planning problems are caused by the demographic development in Germany. Usually the media industry employs young people who will become a scarce resource in the future. Limits are seen also in the recruitment of management employees. In order to prevent these problems the company tries to build up acquisition potential: interesting newspapers, interesting jobs, use of own media and media competences in personnel marketing activities to exploit the whole potential of women and of the few elder employees within the firm. In this direction goes the "Work-life-balance Initiative".

Human Resources Acquisition and Selection

Editorial employees are usually recruited from other papers within the publishing company or from the competitors through headhunters. Headhunters are chief editors who already know the candidates and their work. Further, cultural values must be in line with those of the recruiting company. The voluntary program is also an important human resource management tool. Internally employees are then recruited for vertical career paths more than for horizontal ones. With regard to the sales personnel, Internet and job market portals have replaced the advertisements on print media. Higher positions are covered by recruitment actions through a network of external head hunters. Selection processes foresee the analysis of curricula vitae as well as interviews, and assessment centers if more people must be recruited at the same time.

Leadership

As NPC is structured in profit centers, the directors of every single title within the publishing company are responsible for achieving profit. If profit is not achieved the title and eventually the related department are closed down. This profit orientation influences leaders' behavior towards their employees. Journalists are managed by chief editors and department directors. However, within each title there is a very clear organizational structure and hierarchical division of competences and responsibilities. This has required the company to introduce an extensive communication and discussion culture. With regard to the application of formal leadership approaches the human resource management

department and the referees can advise chief editors and department directors. These can though decide how they prefer.

Human Resource Development

The challenge is represented by interactivity and cross multimedia activities. Media specific development courses are offered only to younger editorial employees and volunteers. Older journalists are used to life long training, thus they only accept training offers related to computer and technology usage.

Conclusions

Cross media and interactivity are perceived by NPC as strategic challenges that require appropriate human resource recruitment, training and development. The dynamic of the market leads though not only to human resource but also to organizational development and therefore to the expansion of the company structure. For each new title a new organizational unit is created. This unit must become profitable within the following 4 years otherwise it will be shut down. Concerning new media NPC believes it has developed cutting edge activities and therefore built up a comparative competitive advantage. Weekly and monthly titles represent the core of the business for NPC, therefore updating pressure and market volatility are not so high compared to those of daily newspapers. All products are also well positioned within their market segments, so that the company is trying to transfer its national product know-how to international markets. This seems to be successful so far. Finally, the concern for social responsibility directly influences the recruitment of editors and the chosen leadership approach.

CROSS-CASE CONCLUSIONS

From the analysis of these three case studies we can say that even if human resource planning has been disregarded within media firms until now, it is becoming always more relevant. NPA recently introduced redundancies planning, after a threatening insolvency situation resulted in a large number of employees being laid-off. In the case of NPB, the planning of qualitative and quantitative human resource need is constantly adjusted and updated. NPC has recognized the importance of personnel planning in order to build up acquisition potential. As for human resource acquisition and selection, planning and organized approaches are usually omitted within the media industry. Through the voluntary program the risks of faulty acquisitions are limited, while top journalists are recruited directly from competitors. It therefore appears that the importance of voluntary programs decreases with an increasing level of the newspaper. Personnel development is not regarded as a form of indirect acquisition at either NPA or NPB. Only in the logistics and

sales division has NPB recognized that offering appropriate training seminars to enhance the customer focus has been successful. For NPC personnel development plays a central role in order for the firm to meet the cross-media and interactivity challenges of the market. Leadership has taken the form of self leadership both at NPA and NPC, as seen in the autonomy given to the employees. In contrast, at NPB, human resources are led through management by objectives activities.

From a transaction costs point of view, media firms can omit personnel development and redundancy planning if through the voluntary program or head hunting they hire only those employees who proved to be professional and not far removed from the organizational culture. In this way the risks of wrong acquisitions can be minimized together with the transaction costs related to the introduction of correcting measures for the execution of incomplete labor contracts in the form of further training or dismissals. However, the acquisition process for top journalists can present a problem: if companies try to hire the best journalists from their competitors, competitors try to keep their best employees. This form of personnel acquisition can therefore be risky and lead the firm to a competitive disadvantage when human resource needs and acquisitions have been wrongly planned or not planned at all. As editorial employees have specific and not easily acquirable qualifications, it would make sense for a newspaper firm to pursue a systematic planning at least for this category of employees. Finally, all three companies have adapted the leadership concept to the situational variables such as the employees' qualification, independence, and ability to learn. Because of the dominating culture of autonomy, NPA does without leadership. The same happens at NPC: the company represents a title within a publishing group, but at organizational level it has no clear division of responsibilities. These are two interesting examples of self leadership. In order to stimulate employees to be customer oriented, NPB applies leadership in the form of management by objectives. This is a correcting measure NPB has taken to complete a labor contract in which the customer orientation was not foreseen. Of course, this measure causes transaction costs. However, as the head of human resources is also the trainer, transaction costs can be minimized.

DISCUSSION AND CONCLUSIONS

The expectations regarding personal planning and development state at the beginning of this article were borne out in the cases studied. The heuristic analysis of the three cases have shown that personnel planning in media firms is strongly influenced by the specific characteristics of the industry and especially by its products. Strategic personnel planning seems to make sense but must be accompanied by the leaders' improvisation talent. The following hypothesis can be derived from these results:

1. personnel planning makes sense also for media firms, even if they are not practicing it at the moment;
2. if a firm uses industry specific acquisition measures, it can omit personnel development planning and reduce the related transaction costs: the recruited employees already have all required qualifications and are intrinsically motivated so that personnel development can base on responsible, autodidactic training;
3. The short term nature of the business dominates personnel planning and blocks the development of a strategic perspective on human resource related issues. If employees, as expected for the future, will have to have very specific qualifications and increases in firm size requires increasing number of permanent employees, then personnel acquisition, development and redundancy planning will be necessary also in media firms;
4. if qualification, autonomy and independence as situational variables in media firms are positively developed, then leadership should move away from a dependency to a participation or autonomy concept in order to minimize transaction costs;
5. In order to introduce customer orientation a combination of people and task oriented leadership is needed. This leadership approach is most effective when the leader is charismatic and shares with his followers the same vision and values;
6. the more qualified and intrinsically motivated the employees, the more leadership can turn to a self-leadership approach;
7. Management of freelancers will be a training subject for leaders in the future especially in small and medium media firms, where the number of freelancers is at the highest.

This theoretically based study should help improve comprehension of human resource management and leadership issues within media firms. The small empirical sample from which the hypotheses have been derived could stimulate further empirical studies on this interesting but not yet deeply analyzed challenge. In any case, the conclusions drawn from the newspaper industry cases sustain the assumption that further peculiarities of human resource management and, in particular, leadership approaches would be identified, in other sectors such as television, radio, books and e-business,

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