

# Forms of Communication and Strategies adopted by Managers and Economist Engineers in the "BLACK SWAN" Situation of Social Economy

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**Abstract**— The premises and conditions for the emergence and development of social economy represent, by themselves, the "impact of the very least probable", in other words the "Black Swan", the risk and uncertainty of predictions about strengthening social economy, employment, the development of social services for vulnerable groups. The "Black Swan" metaphor and concept, introduced by Nassim Nicholas Taleb - does not refer to exceptions, but to the oversized role of extreme events in many areas of life, in other words to "the role of exceptional events (Black Swan)" in social economy; such events lead to "the degradation of predictability and the need to resist" when confronted with the Black Swan, and when expose ourselves to positive aspects in social economy. Given their professional and transversal skills, managers and economist engineers are able to develop social insertion enterprises to fight against Black Swans: exclusion, discrimination and unemployment; at the same time, they are able to facilitate exposure to positive factors such as: socio-professional insertion of disadvantaged people and getting profit in a regulated social economy.

**Index Terms**— communication and strategies, managers and economist engineers, economists, The Black Swan, social economy.

## I. INTRODUCTION

This study uses several concepts necessary to establish an objective link between social economy, its Black Swans and the communication strategies adopted by managers and economist engineers, considering the fact that the Black Swan is present in social economy, where the professionals mentioned above activate.

By 2015, there were no regulations on social economy in Romania, although their necessity was demonstrated by several scientific papers; rules limited to the benevolence of some corporations, through the so-called social responsibility. This social responsibility, as I have shown elsewhere, is directed by corporations towards their employees or their stakeholders and is less oriented towards the promotion and support of social economy for vulnerable groups. It is encouraging that these corporations are compelled to declare the amounts allocated to social responsibility.

Last year (2015) Law no. 219/2015 on social economy was adopted [1]. However, some specialists of economic practice, who try to apply this law, argue that it is difficult to implement, as it does not specify clearly which are the sources for funding social enterprises and what would be the tax relief obtained as

a result of such enterprises, while the law enforcement methodology has not yet been published.

According to regulations, social economy is based on private, voluntary and solidary initiative, with a high degree of autonomy and accountability and a limited distribution of profits to shareholders. Within it, set of activities, organized independently of the public sector, are performed; their purpose is to serve the general interest, the interests of a group as well as non-patrimonial personal interests, by increasing the number of persons from vulnerable groups who are employed, as well as the production and supply of goods, the provision of services and/or the execution of works [1].

Experts argue that the state and the state-system are real structures that can be approximated with the help of science. This statement implies a scientific realism assuming that the world exists independently of human beings, that mature scientific theories typically refer to this world, and that this reference happens when items of interest for science can not be observed. Theory reflects reality and not vice versa [2]. There is apparently a consensus on the empiricist view that, in order to be scientific, explanations must be deductive in nature.

Some experts in the field of social problems and management argue that it is impossible to penetrate deeply into an idea when running a business, unless one is insensitive, since concerns and feelings of responsibility occupy a precious part of our cognitive space [3]. If managers and economist engineers are employees of a social enterprise, or of any type of enterprise, they might be able to study, meditate and write, but not if they run their own business (social enterprise), unless they are irresponsible.

The Black Swan concept and metaphor is widely used today. It has been introduced by Nassim Nicholas Taleb – who was included, in 2009, on the list of "most influential management gurus", elaborated by Forbes.com. He has gone beyond the logical philosophical question in empirical reality: "I turned to the black swan metaphor (lowercase) for Black Swan events" [3]. He states that this should not be taken for the logical problem raised by many philosophers. It does not refer to exceptions, but to the oversized role of extreme events in many areas of life. The Black Swan refers to the role of exceptional events that, on the one hand, lead to the degradation of predictability and to the need to resist exposure to negative Black Swans, and, on the other hand, determine exposure to positive Black Swans.

As regards social economy, we might call Black Swan an event that has three attributes. First, it is an isolated case, beyond regular expectations, because nothing in the past has indicated its possibility; second, it has a great impact. Third,

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although declared as an isolated case, people contrived explanations for the occurrence of the event, after it took place, making it explainable and predictable. The social economy triplet: rarity, extreme impact, and retrospective predictability (unfortunately not prospective), explains how a small number of Black Swans reflect almost everything in our personal and social life, continuously extending themselves. "What we await specifically and does not actually happen is also a Black Swan. Based on symmetry principles, the occurrence of an improbable event determines the absence of a very probable one" [3]. In what follows, we shall name a few of the Black Swans in social economy: underdevelopment of social communities; lack of jobs; lack of involvement of vulnerable groups in social and/or economic activities; facilitating the access of social communities to community resources and services; poor economic and social cohesion; unemployment; underdevelopment of social services. As regards legal aspects associated to the occurrence of Black Swans in social economy, one should take into account that the EU declared its lining up to a set of values such as: peace and social justice, cooperation, progress, etc., which would determine certain philosophical-political benefits at all levels [4].

### II. MANAGERS' AND ECONOMIST ENGINEERS' PERSUASION CAPACITY IN THE SITUATION OF SOCIAL ECONOMY'S BLACK SWAN

The activities of managers and economist engineers, aimed at convincing people to believe, to think or to do a certain thing and knowing that it is difficult, if not impossible, to change one's character or personality, must focus on behavior. Since they use behavioral techniques to improve performance, it might be concluded that any behavioral change refers only to individuals. However, managers and economist engineers actually spend most of their time to control and improve the performance of the group [5].

There are enough reasons to convince us that it is better for managers and economist engineers to use behavioral changing techniques in order to adjust their own behavior. First, applying such techniques to their own behavior would represent an important learning experience, which might help them be prepared to face the Black Swans when they implement behavioral change in social economy. There is also a rule according to which the managers or economist engineers who ask people to do something new, must use the power of the personal example to limit possible resistance to change [5].

However, human interactions are based on communication, irrespective of the place occupied by a person in relation to space and time, as either social being or as individual personality [6].

Communication strategies adopted by managers and economist engineers should start from the assumption that communication is a social phenomenon, given the actor's relationship with the public sphere. These strategies should also rely on accepting the existence of mutual influences among social sciences, communication sciences, engineering and management. Managers must take into account the fact that the limited liability of their company in social economy can cause a great advance in the ability to solve the problems of vulnerable groups, allowing the accumulation of more

capital, precisely because they offer associates (economist engineers) the possibility to easily exist the business, thereby reducing investment risk. But at the same time, this possibility makes managers and economist engineers unsafe protectors of the future of their social enterprise on a long turn [7].

Managers and economist engineers, as persuasive people, must know that most persuasive processes involve both self-persuasion and persuading individuals or groups. These processes usually occur either in avalanches or gradually, often involving several types of persuasive communication forms. An "emotional" stimulus determines a small change upon the persons persuaded, and is followed by a series of logical arguments leading to a final behavior, which proves the success of the persuasion process [8].

We all have a set of individual needs. These can be compelling, in other words one can not live if they are not satisfied, or critical, if individuals can manage for a while without satisfying them. Priorities are not the same for all individuals. Therefore managers and economist engineers should identify those that divide people into categories, some of these priorities being psychological (the need to survive), physical (security), or others, referring to one's striving for a better life.

In their analysis of an enterprise in social economy, managers and economist engineers might start from an analysis of the needs of people belonging to vulnerable groups. Abraham Maslow (1954), the renowned psychologist provides, in this regard, a starting point for studying human needs:

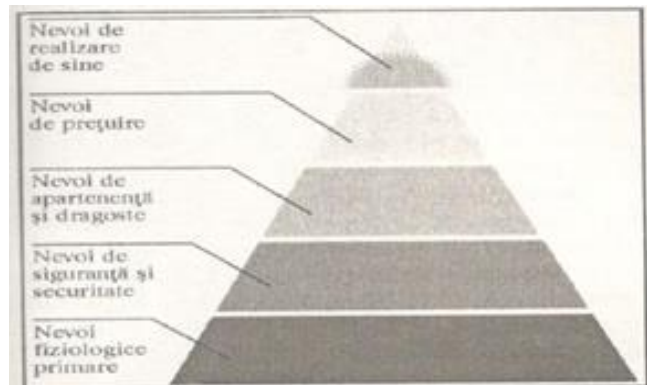


Fig.1 Maslow's pyramid of needs

Nevoi de realizare de sine = Needs of self-realization  
Nevoi de pretuire = The need for appreciation  
Nevoi de apartenenta si dragoste = Needs for belonging and love  
Nevoi de siguranta si Securitate = Safety and security needs  
Nevoi fiziologice primare = Physiological needs primary  
"Ref [8]"

The lower level of Maslow's pyramid presents the compelling needs, and the higher level refers to the less intense needs. Of course, this pyramid is only a model, and the lines delimiting needs might not be that distinct as shown in Figure 1. It can also be observed that the needs of the upper level are not superior to the other needs. As regards the interests of managers and economist engineers, the core needs stand at the basis of the pyramid.

Whether as identified by Packard's list, by Maslow's pyramid or by some other model, they are strongly felt by vulnerable individuals and groups [8]. In their business

(enterprise) in the social economy, managers and economist engineers examine the current needs of those they want to influence, giving them the means to satisfy their needs. An effective way in this direction is to reformulate persuasive messages according to Packard's perspective and Maslow's model. They found that psychological and physiological needs are strong motivating factors for the prime premises of persuasion.

Various researchers explain attitudes using different theories. The common element is represented by the fact that attitudes can serve as unspoken major premises in persuasive enthymemes (the conclusion is implied) [8]. Managers' and economist engineers' attitudes are considered behavioral predispositions; it is assumed that people make confusions about the extent to which these attitudes can predict behavior. Some psychologists define attitude as "a psychological tendency expressed in the favorable or the unfavorable evaluation of a particular entity" [9].

## II. THE SOLUTIONS PROVIDED BY MANAGERS AND ECONOMIST ENGINEERS IN SOLVING THE BLACK SWANS OF SOCIAL ECONOMY

Some economists argue that allocating a larger share of the national income of those who earn better might increase the percentage of investments [10]. However, according to Keynes, a higher percentage of investment also denotes that the economy is more vulnerable and may become unstable.

Many economists have also argued that growing inequality was a major cause of the global financial crisis in 2008. Besides these, the highest and rapidly growing revenues, alongside the diminishing or stagnation of real wages, the indebtedness of the population, the increase of household debt, the existing barriers to social mobility, lack of access to top jobs might determine the less privileged youths to give up trying to find a good job. Recent studies show that inequality has negative effects on health and on other social indicators of human welfare. Inequality leads to an increased number of poor people and vulnerable groups. Managers and economist engineers meet at least as many Black Swans in social economy as White Swans (opportunities). To solve these interests immediately, we believe that, among all solutions presented in Table 1, managers and economist engineers should choose, in our opinion: the creation of social-private enterprises as legal entities of private right, working in the domain of social economy, which holds an attestation for a social enterprise and respects principles (Table 1); social insertion enterprise; in accordance to current regulations, it has to meet the following cumulative conditions: permanently, at least 30% of the employees should come from vulnerable groups, thus the cumulative working time of these employees represents at least 30% of the total working time of all employees; it aims to fight against exclusion, discrimination and unemployment through the social and the professional insertion of disadvantaged people.

As defined by current regulations, the vulnerable group can be represented by either an individual or a vulnerable family, at risk to lose their capacity to meet the needs of daily living, in accordance with social assistance regulations [11].

TABLE I

### SOCIAL ECONOMY: PINCIPLES, BLACK SWANS, SOLUTIONS

<i>The principles of social economy</i>	<i>Black Swans</i>	<i>Solutions provided by managers and economist engineers</i>
<i>Priority given to the individual and social objectives to increase profits</i>	<i>Lack of jobs and absence of involvement on the part of persons belonging to the vulnerable group</i>	<i>Establishing 1st degree credit cooperatives. Establishing associations and foundations I</i>
<i>Solidarity and collective responsibility</i>	<i>Lack of economic and social cohesion</i>	<i>Establishment of mutual funds for pensioners</i>
<i>Convergence between the associated members' interests and either the general interest or the interests of a group</i>	<i>Unemployment Underdevelopment of social services. Absence of jobs for vulnerable persons</i>	<i>Setting up agricultural societies. Setting any other categories of persons that fulfill the definitions and principles of social economy.</i>
<i>Democratic control on members and their activities</i>	<i>Lack of vocational training programs for people in vulnerable groups</i>	<i>Setting up a social insertion enterprises</i>
<i>Voluntary and free character of the specific economic and social association</i>	<i>Lack of social services to increase the capacity of insertion on the job market of persons from vulnerable groups</i>	
<i>Legal personality, autonomy and independent management</i>	<i>Lack of corporate social responsibility and SMEs</i>	<i>Legal personality, autonomy and independent management</i>
<i>Allocation most profit / surplus for financial goals</i>		

“Ref. [1], [3]”

## III. CONCLUSION

We argue for the necessity to establish an objective link between social economy, its Black Swans, communication and strategies adopted by managers and economist engineers in their professional activity in the field of social economy.

Managers and economist engineers who have, by their actions, the gift or power to convince someone to believe, to think or to do something, knowing that it is difficult, if not impossible, to change a person's character or personality, must act on behavior.

The current crisis and exacerbated poverty require the rethinking of economic theories that govern the policy and planning of some collective action, with the view to achieve

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social welfare. The enterprises of both managers and economist engineers in the domain of social economy could be the first steps towards the economy of the future, alongside classic business forms.

People have a set of individual needs. These can be either compelling, in other words individuals can not live if these needs are not satisfied, or critical, when individuals are able to manage for a while without satisfying the needs. Managers and economist engineers are called to identify the needs that divide people into categories; these needs may be psychological (i.e. the need to survive), strictly refer to physical security, or of another nature, aiming at ensuring a better way of life.

In Maslow's pyramid, the lower level is represented by the compelling needs, while the higher level includes the less intense ones. It should be pointed out here that the needs of the upper level are not superior to the other needs. For managers and economist engineers the base of the pyramid is formed by the core needs.

The integration and social insertion of people from vulnerable groups may be achieved through: their integration into insertion social enterprises; the nature and content of professional integration should be taken into account; professional integration programs and methods; etiquette at the workplace.

In order to acknowledge the legitimacy of positions within the social insertion enterprise, each party must accept that, despite existing differences, the objectives, views and interests of each part are legitimate.

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