

Megatrends as Driving Forces in Development of Management Skills

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Summary

Management behavior is conducted in a milieu surrounded by stakeholders. When something happens here, and in the environment, threats and opportunities will be absorbed in the management milieu. The management process can – and should – be improved all the time. The trick is to use trends and megatrends as driving forces in the strategic development of management behavior per se. The purpose of this paper is to argue for a model based upon insights produced by contemporary researchers in the field.

1. Developments in Theories of Management

We began to look at the firm as an element in a macro-economic system. Later on we constructed the theory of the firm. In the beginning we looked at the firm as a judicial, an economical, a technical or an administrative unity. A relative closed system whose operations could be made more and more effective, could be optimized.

Next step was to see the organization as an adaptive system. A system which was able to change its operations (“structure and/or function”)

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according to changes in the environment. This world view was related to the introduction of decision processes, operational behavior processes and systems processes.

The third step was to look at the firm/organization as developing system which was able to create its own future, i.e. perform strategic management, primarily through interaction with the stakeholders. We were faced with the societal view, the internationalization aspect and the futurology point of view.

This brief history provides us with two significant developments in the theories of management:

- *from* optimizing and satisficing in a relative closed system
- *to* adaptive multi-criteria systems, and
- *from* relative passive adaptive systems
- *to* active developing and learning systems.

According to the first view of theory, one could make forecasts on future management behavior in this way:

Next step = f (known elements | steps already taken, but not yet acknowledged).

According to the second view, the formula would look like this:

Next step = a desired managerial behavior = f (known elements + unknown | active learning).

The evolution of management theory and practice have provided us with knowledge of how to manage and to some extent how to avoid mis-management. The question is how we use the wisdom and how we develop new knowledge of the management process in a managed way.

The answer is: Organize an interactive search-learning process between man's research-oriented theorizing behavior and man's managerial executive behavior.

Or put it in another way: form a joint milieu and produce continuously developing management behavior. And use trends in the joint environment as driving forces in this development.

2. A Model of Management Behavior and the Management Milieu and its Environment

A management milieu is formed by the actual interaction established between people, who desire to perform management behavior, individually and collectively.

Management behavior is defined as a joint activity combining three types of behavior: objective-setting behavior, problem solving behavior and communicating behavior.

Changes in the environment of the management milieu may, therefore "hit" primarily the objective-setting of the participants, primarily the problem solving activity or primarily their endeavour to create a better language for their internal communication. Or, all three dimensions may be changed at the same time, although with a different weighting. Normally, this will be the case.

Immediate consequences of such trends, mega-trends of natural driving forces, is that

- the common frame of reference for management behavior (paradigm) is changed, and the accepted norms for good management behavior (management culture) is changed,
- the management behavior of the individual participant is changed as a function of the external stimuli, and
- management of the management process per se is changed because of changes in the properties of objective-setting, of problem-solving and of communication, either partially or as a total.

The management milieu in a firm, in a public administration, in an organization, or in general in a "system" will normally be influenced by research activities on management. This may be "implicit" because the participants in the management process have had their world picture given in terms of models created by university researchers.

Or, the influence may be "explicit", namely if outside consultants are used, inclusive professional action researchers.

All types of deliberate management behavior are related to research. Therefore research activities pertaining to management is part of the professional management milieu.

Analysis of trends and megatrends in management activities may be modeled in five bundles outlined in exhibit 1.

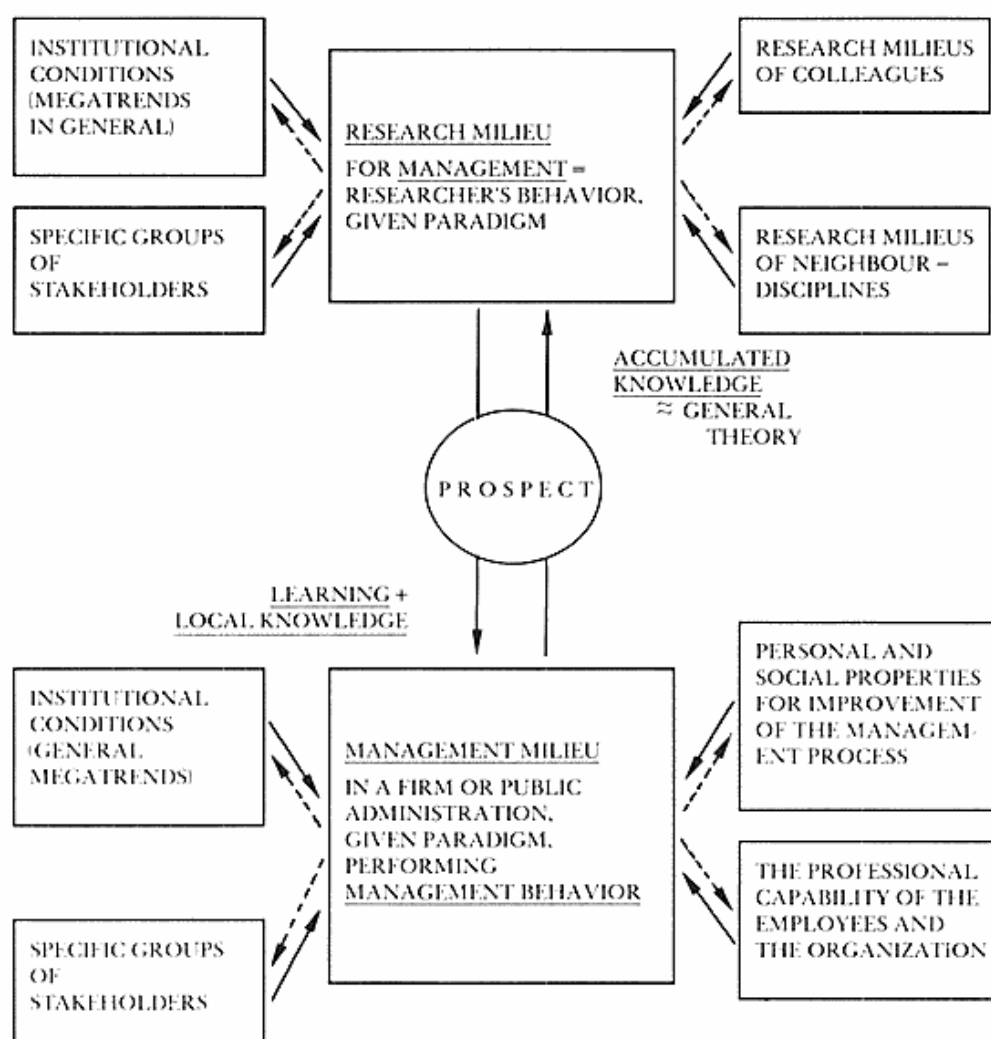


EXHIBIT 1
The management milieu and its environment

3. Megatrends in the Management Milieu

The management milieu of a firm or a public administration is considered to be based upon a paradigm, a set of accepted presuppositions regarding the local management process.

Influences from the environment is supposed to take place in five bundles, cfr. figure 1.

3.1.

Let us first have a look at the personal properties of the employees management behavior. And the social processes they have enabled themselves to establish in order to improve the ongoing management process in the organization. We can point at these tendencies:

- the acknowledgment that management is an interaction between people determining well defined demands to the individual participant and to the group in terms of objectives and rules of game,
- the acknowledgment that responsibility and power (related to use of resources) can not be split,
- acknowledgment that continuous individual learning – and, thereby also social learning – is a necessity through intensive feed-backs from the near-milieu,
- that man must be conscious of his management behavior in order to improve his differentiated manager roles; not merely in his job situation, but also perform self management of his total situation regarding maintenance and development of his own identity,
- ability and willingness to take managership responsibility,
- rational decision making is converted into the issue of creating valid and social acceptable information, and the role of the individual in this process becomes more and more a question of ability to give and to receive help in terms of consultancy,
- contribute to a better political culture in the firm/organization through a continuous improvement of rules of game concerning discussion-action, centralizing-decentralizing decisions and division of executive behavior between politicians and administrators.

3.2.

The second bundle of influences can be considered being transformed

through the professional work role of the employees and the organization as a whole, i.e. producing the flow and goods and services.

We can in this respect point to these tendencies:

- from specialized employees to “multi-function” employees,
- from acting as a slave of a given technology to letting the technology do the slavery,
- from short-term horizons for norms, standards and goals to continuous improvements based upon a continuous process of setting objectives,
- from the guarding philosophy of “just-in-case” to the demand for precision philosophy of “just-in-time”,
- from concentrating on the behavior of the single element and the isolated sub-system to focus on the interaction between the parts of the system,
- from product-quality in itself to product quality being a function of the quality of the production process,
- from the philosophy of “product delivered” to service-management thinking: “We never let the customer off”,
- from a guardian-like production of need-satisfaction to producing possibilities for self-service, do-it-yourself, help yourself, etc.

All these trends presuppose that management behavior and professional producing behavior can be integrated.

3.3.

The third bundle of influences is carried through the specific stakeholder groups of the firm/organization. Strategic management is concerned with maintenance and development of each and every balance of payments to stakeholders. Information on new potential contributions and rewards belong to the specific firm and expresses local developments, not general trends.

We are, however faced with a general recognition, namely that stakeholder-cooperation must result in a mutual strategic management. Which claims for explicit rules for conflict regulation.

3.4.

The fourth bundle could be called “Societal developments”. For the individual firm and her stakeholder groups these trends can not be influenced. Maybe the right name is Institutionalized Conditions. Common megatrends.

Their name is legion, and each observer has his own opinion of which is important. If we, however, take our starting point in the management milieu of the firm/organization, many researchers agree that we ought to work with following types of megatrends:

- the technological development can be looked upon as a sort of natural law,
- especially, one is concerned with production technology as CAD-CAM, biotechnology, and, above all, informatics,
- developments in values and ethics, and developments in power structures,
- the internationalization of the firm: creation of strategic networks, given changes in weights of regions and trades, and given the necessity of living with different cultures under the same roof,
- changes in the division of work between the private and the public sector and in the interplay between these sectors,
- the challenges of the service-society and the information-society,
- developments away from the specialized production-society towards an integrative network-like society in which classical economic behavior is integrated with other roles.

The most important tendency is, maybe, the development away from a formal executive behavior performed by relative few "leaders" to a real management behavior performed by relative many people.

3.5.

The fifth set of relations are concerned with the interplay of the specific management milieu in the firm/organization and the research milieu for management.

The paradigm of an actual management contains always some elements created in the professional management research milieu. That is the case in terms of world views, models, methodology, techniques, languages, and it is especially the case concerning the local learning and knowledge which is created through direct interaction with researchers in mutual projects ("Prospects").

The paradigms of the actual management milieu and the management research milieu can be formed with so many common elements that one coherent milieu is created. In practice this can be done

through a research based education- and development program, a research based organizational learning program, mutual development programs and mutual consultancy.

At least we are faced with the following tendencies:

- norms for a decent management behavior is formulated analogous to the norms for good research,
- management behavior becomes more experimental in favor of "experience" and imitation of excellence performed by others,
- for professional management behavior it becomes an objective in itself to create individual and organizational learning processes,
- the communication between research milieu and management milieu is improving so fast that "new" research results are applied almost immediately.

These trends might be summarized in this way:

- from chief executive behavior to management behavior,
- management behavior is looked upon as a deliberate, differentiated common subset of behavior, and finally
- from rigidity in the management function of the firm to creativity in the management function.

4. The Management Research Milieu

We may arbitrarily look upon the management research milieu as a part of the environment of the firms management milieu, or we may perceive the two milieus as being one. It depends on the paradigms we choose.

Being a researcher, you can choose your own distance from your research object. For example, being a micro-economist, you may deduce based upon a set of prepositions representing the real world. They may be based on observations if you so desire.

The result of these excersises is partial economic thinking which can be taught (in the sense indoctrinated into) students who later become executives with a bad conscience. What again causes an expensive auditing and ex-post control in order to search for cause-effect relations for better steering next year.

Acting as a researcher you can choose the opposite alternative and involve yourself directly in an interaction with the observation object with two objectives. The one being to become wiser and make better general theory and the other being to help your client to improve his management process. This action-research attitude produces a systems-like common world picture, direct participation in the management process of the client firm, and ex-ante steering in terms of strategic control. By the same token manager behavior and research behavior yield mutual consultancy.

The research milieu is per se characterised by megatrends canalized through her own stakeholder groups and her own institutionalized conditions. In Denmark (and to some extent in Scandinavia) important influences are:

- it becomes more and more common that students of business administration have a full time job beside the studies; this means that the paedagogical process based upon action research can be made more realistic, and in a not too far future it can be integrated in the management development program of the firm and of the public administration,
- the democratization process of the legal base for running universities have in itself created an experimental milieu for management (non-participative participant management with no explicit personal responsibility),
- contract research for firms and public agencies become legal, which effects pluralistic research positively,
- basic research, as well as applied research, is to a greater extent performed outside universities, the external effect being better service for customers and internally better local management behavior.

The management research milieu is, of course, also related to those of colleagues (normally with a deviant set of attitudes and world picture), and to neighbour disciplines. Let us mention the following megatrends:

- some sort of specialization which again produces paradigms that are different from milieu to milieu,

- a greater degree of interdisciplinary and transdisciplinary thinking in the research projects pertaining to management processes,
- an enormous production, very difficult to overlook, but containing very little variation in the essence of general knowledge, but a wide variation of insight in specific management milieus,
- better attempts to integrate our knowledge into a general theory of management behavior, and finally
- active use of megatrends for a better management of the research behavior of management researchers.

5. Conclusion

The purpose of this article has been to point at some megatrends around our joint management- and management research milieu in order to use some of them as driving forces in creation of a desired future manager behavior. Performing strategic management of the management function itself.

This can be done by

- linking manager behavior and management research behavior together in a joint milieu based upon overlapping, but not identical paradigms,
- using megatrends as driving forces in the joint milieu in order to create a better general theory of management and a better management process in the client firm/organization,
- especially look upon megatrends in these bundles:
 - developments in stakeholder groups and in the institutional conditions (general megatrends),
 - development in peoples insight, ability and will to perform managership, and
 - developments in professional skills, also in colleague-organizations.