



ISSN 2278 – 0211 (Online)

Future of Management: The Imperatives for Managing a Globally Digitized-Gated Community

Alawi M. Dawuda

Lecturer, Zenith University College, Accra, Ghana

Dr. Ibrahim Rahmat Hassan

Executive Director, Niger Insurance Plc. Lagos, Nigeria

Abstract:

Current management paradigms that influence the engagements of social and economic institutions have come under serious scrutiny with divided scholarly opinion. In this direction, one school of thought suggests that there should be a total revolutionary attack on the paradigms leading to complete replacement. Conversely, another school is of the opinion that there should rather be a systemic refinement and overhaul of the existing paradigms to better serve the needs of contemporary times. Against this backdrop, we examine in this paper, the pros and cons of the issues raised pertaining to the current wave of management paradigms in light of existing scholarly literature, bringing to fore inherent challenges and imperatives associated with the paradigms, while proposing the way forward for the future of management in this digitized age.

1. Introduction

The current wave of management paradigms has undoubtedly come under serious scrutiny. In part, scholarly opinions have converged (Hamel, 2007; Grant, 2008) on the need for a new focus for management as the imperatives (Hamel, 2009) that gave birth to the current paradigms have been fully addressed. However, the form that the new focus or thinking of management should take has become a source of scholarly contention. Whereas, for example, Hamel (2007; 2009) calls for a total revolutionary onslaught against the current wave of management paradigms, Grant (2008), for his part, calls for a systemic refinement and overhaul to redirect the focus of the paradigms to better address the needs of contemporary times. Against this backdrop, we examined the pros and cons of these contending views in light of scholarly opinion, bringing to fore, the corollary challenges and imperatives, while proposing the way forward for the future of management.

1.1. Trajectory Analysis of Management Paradigms

Management, like any other invention of human kind, has traversed through a wave of paradigms, each marked by its own defined unique characteristics, combing content and context to address challenges of social and economic institutions of the time. Without a shred of doubt, from Max Weber managerial-world order to the current Hamel's order, each paradigm launched its own tool box within which to fetch ideas to deliver the organizational good. To put things into better perspective, it is instructive to note that Weber paradigm, for instance, placed exceeding emphasis on bureaucracy and hierarchy (McKinnon, 2010), while Taylor's scientific management model focused on systems and efficiency (Grant, 2008). The impact of a psychological bond of relationship on productivity occupied the focal lenses of Maslow (1943) managerial paradigm. Roles matched with the requisite set skills to deliver organizational excellence paradigm was chiefly crafted by Mintzberg (McKinnon, 2010). The contingency model, (Fielder, 1967) discouraged the use of one-fit-for-all situations management style, while the situational model (Hersey-Blanchard, 1969) tied organizational success to circumstantial leadership. Additionally, the transactional or exchange paradigm (Burns, 1978) focused on the leader-follower-exchange, whereas the transformational paradigm (Bass, 1990) model emphasized harnessing psychological commitment of employees to deliver organizational goals. The transactional model, for example, explores cognitive variable of commitment, while transformational model explores the key variable of affective or emotional commitment (Goleman, 1995) of the employee. Another model worthy of mentioning is the business model (Birkinshaw & Goddard, 2009) brought about by the imperative of the dotcom revolution. In this regard, it is instructive to note that this model is an age old one. Nonetheless, as Birkinshaw and Goddard (2009, p. 81) have put it, "the competition between 'old and new' economy companies" brought this model once more to the radar of the global economic order. The cultural intelligence (Earley, Ang, & Tan, 2006) with its corollary global leadership (Dunn, Lafferty, & Arfold, 2012) to manage complex culturally diverse projects has also been a recent novelty on the repertoire of global leadership paradigms (Zhang, 2010). How could the sectional discussion be exhausted without mentioning the seeming millennium managerial paradigm (Hamel, 2009)? For purpose of emphasis, it is important to note that the similitude of Hamel's model is a coin

with two phases as it is both diagnostic and prescriptive, digging through the depths and putting on the surface, interlocking issues and imperatives of the current managerial paradigms, proscribing some, advocating for total refinement of others, while in the same context, proffering entire revolutionary onslaught on others as a prelude to the future of management as the global economic order moves into the next phase of its development.

1.2. Analysis of Managerial Paradigms

From a dialectical perspective, it appears that all the management paradigms are put into three categories, namely classical, modern, and digitized centric. The difference amongst these categories is the key defining attributes and how these impacted organizational goals. In other words, what makes successful leaders relative to time is the key differential factor among these categories. Without recourse to this, however, it is instructive to note that management models at all times, have been driven by certain compelling principles, including Weber's bureaucracy and hierarchy (McKinnon, 2010), Taylor's systems efficiency (Grant, 2008), contingency and situation (Fielder, 1967., & Hersey-Blanchard, 1969), quality leader-member-exchange and employee motivation (Burns, 1978; & Bass, 1990), defining route to making money for business (Birkinshaw & Goddard, 2009), global cultural imperatives (Early, Ang, & Tan, 2006; Dunn, Lafferty, & Arfold, 2012), and the global digitized-gated community imperatives (Hamel, 2009). The Weber-Taylor model, for example, built a standard model anchored on efficiency and bureaucratic hierarchy to serve the needs of industry (Alio, n.d) for almost the entirety of the last century. But the key contending issue here is whether these principles are still relevant in this present dispensation. For example, it does appear that the efficacy of the efficiency principle is called into serious question, considering the phenomenal rise by China – the chief protagonist of the Brazil, Russian, India, China, and South Africa (BRICS) model (McNally, 2013) as the global cost leader (Grant, 2008) for production of economic goods. The contingency-situational (Fielder, 1967., & Hersey-Blanchard, 1969) model tied organizational success to specific, unique, and customized contingent and circumstantial leadership. So, in this way, there is no-one-fit-for-all management style. At best, this model in our opinion thrives on the naked realities of time with the natural logic that each managerial challenge is occasioned by its unique dynamics. This therefore requires customized leadership to adapt and thus rise to the occasion. Try and error will have far reaching implications under this model. Well-designed, specifically tailored thought leadership plotted against time bound results will deliver good results.

The transactional-transformational paradigm (Burns, 1978; Bass, 1990) focuses on the human factor and the quality of the ensuing interaction between the manager and employees as the principal determinant of higher organizational productivity. All things being equal, the hypothesis here is that a more quality exchange reinforced by emotional commitment, and shaped by psychological bond of relationship delivers quality outcomes demonstrated through higher organizational productivity. Similarly, the reverse of this same arrangement, given the same context, is more likely to play out. Essentially, this model brings on board, the human face to corporate productivity, thus creating a paradigm shift from the traditional focus on mechanistic and scale orientation to a pro-human relations environment, where the power of self-will effectively combined with imagination and common purpose becomes the moonshot for the organizational good.

1.3. Challenges of Current Management Paradigms

Sincere, constructive, and realistic analysis of the structure of the current wave of management paradigms reveals some interlocking challenges worthy of discussion in this section of the paper.

1.4. The Challenge of Outmoded Managerial Antiquity

The Weber-Taylor led principles of bureaucracy and systems efficiency is still undoubtedly pervasive in the current dispensation, thereby infesting it with its efficiency mantra placed above any other consideration. According to Hamel (2007), today's management paradigms are still in tune with "*Taylor-type puzzles and living in Weber-type organizations*" in which managers are almost always genetically programmed to become "*captives of a paradigm that places the pursuit of efficiency ahead of any other goal*" (pp. 12, 14). At best, it appears the system efficiency and bureaucratic model is simply not adequately resourced with the current state-of-the-art to address emerging needs of industry at lighting-speed. Ultimately, they thus lack the wherewithal to stand the tidal forces of today's ferocious competitive international economic landscape. At worst, they are discarded to the dustbin of antiquity as outclassed and outmoded 20th century management thinking (Grant, 2008). On the real face of it, it has become pretty obvious that technological quantum jump impacted negatively and thus weakened the underpinning anchorage of the system efficiency principle. The center even becomes more slippery to grasp a firm hold in the light of China's phenomenal rise to stardom as a global economic star-pupil, championing cost leadership of global production of economic goods. What is more? The success story of the BRICS model (McNally, 2013), particularly its decisive inroads into emerging economies appears to nail the coffin on the mantra of the system efficiency principle.

1.4.1. The Challenge of Running Late Race

In today's fast evolving competitive global business environment, the race is towards the finishing-line, and not one of button change. Unfortunately, it appears that the pistons of the combustive chamber of the current wave of management paradigms lack time-bound quick start to spontaneously ignite the engine and power it with precision to finish the race as timely as possible, way ahead of unyielding industrial demands. Caught in this web, managers appear to be running late, not due to brevity of ideas, but due to the lack of the willpower and commitment to engage in costly imaginative exploration. Situated in the Kaufman (1995) fitness index, it is argued that management under the current paradigms has nose-dived to the lowest ebb, only managing to scale "*local peaks*" (Grant,

2008, p. 471). In light of this, Hamel (2007) appears instructive by observing that the failure of management under the current dispensation to seize the numerous opportunities presented by global forces to be “*perched atop some Everest of accomplishment*” has resulted in its “*reclining contentedly on a modest mound in the Appalachians*” (p. 16).

1.4.2. The Challenge of Management Innovation and Adaptability

Management innovation is “*anything that substantially alters the way in which the work of management is carried out, or significantly modifies customary organizational forms, and by doing so, advances organizational goals*” (Hamel, 2007, p. 19). It then appears that management innovation is a conscious systemic effort intended to constantly explore and thus exploit the best of instinctive powers of imagination to refine existing management practices for optimal performance. It constitutes the nucleus of the innovative structure (Grant, 2008), clearly representing the pinnacle of value creation and defensibility (Hamel, 2007). Essentially, management innovation is premised on systematic new management thinking; forming the base of a continuous “*program of rapid-fire invention*” (Hamel, p. 27). Unfortunately, with the exception of few notable global giants such as Apple, GE, Du Point, Procter and Gamble, Toyota, and Google (Hamel, 2007) that are distinctively set apart from their peers by their extraordinary possessive ingenuity, it looks as though that the current management thinking of the rest simply lacks the “*rapid-fire invention*” brand and therefore becomes irresponsive to prevailing global dynamics shaping the current international economic landscape. In view of this, current management paradigms are not best positioned to meet squarely the unyielding demands of the time for greater, more fast-paced innovation and adaptability essentially to make positive strides in the dispensation. The creative potential, imaginative powers, and emotional commitment of the people within organizations appear then to bare the major brunt of this development.

1.4.3. The Challenge of Shareholder-Centric Corporate Regime

The legal personality veil of the abstract entity known as the “corporation” is established beyond doubt. It has since transcended this legal threshold to become a social institution (Berle & Means, 1932). The corporation as an entity appears to be cast in the shadow of the shareholder as the principal claimant of residual rents (Boatright, 1996; Ryan & Bulchholtz, 2001). Capitalism as an economic ideology reinforces this practice. American Corporate Capitalism (George, 2013) appears to even give more robust reinforcement, providing the mantra of shareholder value maximization an added impetus to the detriment of other equally relevant stakeholders of the corporation. The form of the modern corporation thus becomes more shareholder centric, where all efforts are put to the wheel to satisfy the shareholder, damning the implication there of on the cause of social action. Undoubtedly, the modern corporation today concentrates the economic might of wealth and prosperity in the hands of the minority, while paradoxically, the majority languishes in abject discomfort and squalor. With sincere intention, this is where we have serious concerns with the stakeholder-centric modern corporation. Per its architecture, it widens the gap between the rich and poor, and thus creates and sustains social inequality in society with class domination. A little statistical illustration will be instructive. In the American economy as it stands today, 40% of the nation’s wealth is concentrated in the hands of 1% of the most affluent Americans, while a colossal 80% of the people can only account for a paltry 7% of the nation’s wealth (Jilani, 2011). Meanwhile, the phenomenal success story of Apple for 2012 is gold-written in corporate American history. A whopping \$400,000.00 profit per employee was posted in its books (George, 2013). Sadly, however, while executive salary and other pecuniary considerations were graciously fattened as compensation packages, some employees at the headquarters of the company were laid off due to outsourcing occasioned by the capitalist principle of corporate downsizing (George, 2013). The problem statement here is that meaningful progressive social change cannot be effected under the current shareholder-centric regime without any conscious revolutionary effort.

1.5. Future of Management: The Imperatives

Addressing the structural challenges of the current management paradigms would imply providing management with the finest touch of new ideas to catapult it to the next desired phase of its development as a human invention. This is where we see the future of management, whether treading along the path of Hamel (2009) or that of Grant (2008). What is critical is that there is a compelling felt need for a positive new direction for management. In light of this, Hamel’s argument that the scale and efficiency imperatives that gave birth to the current wave of paradigms have since been fully addressed appeals to reasoning. The way forward then is a new future for management. Thankfully, Hamel appears to give some clues, though not cast in stone, but at least lay the foundation stone for alternative thinking. Three imperatives are put forward (Hamel, 2007):

1. Lighting-speed acceleration of new corporate strategic direction.
2. Possessive employee innovation.
3. Preoccupied working environment with employee emotional renewal

His 25 moonshots proposal (2009) appears to reinforce his revolutionary stance on the future of management. This is quite fascinating and intellectually stimulating. However, we are not inclined towards a wholesale endorsement of the idea. There is no need to reset the clock of progress by reinventing the wheel. The economic cost will be far-reaching. In our humble candid opinion, therefore, systemic distillation is what is required under the circumstance, possibly to purge the current wave of paradigms of elements that are productively stagnating. This is where we tend to agree with the position of Grant (2008) for a paradigm refinement rather than a total revolution as advocated by Hamel. We want to believe that Hamel’s proposition can still be contained within the refinement proposal by Grant. More so, Hamel himself appeared humble even within remit of his call for a revolution as the way forward for the future of management, stating thus: “*So far, I’ve resisted the urge to share my own vision of the future of management. Mostly, this is out of modesty. The future of management has yet to be invested, and when it arrives, I expect to be inspired*” (p. 250).

2. Conclusion

Instructively, our ideal future for management cannot be concluded without touching on the issue of social change. In this direction, we expect to see a future refined management paradigm with the inclusion of a social face more robust and up to speed more than can ever be imagined fully embedded in the structure of the modern corporation than the current paradigm of brand equity enhancement gimmicks and lip service. Such a paradigm, it is envisaged will still be anchored on profit making as a fundamental economic responsibility (Carroll & Bulcholtz, 2006) of business. But at the same time, there will be compassionate organizing (George, 2013) in a manner that will give full meaning to the principle of individual liberty as the foundation stone of liberal market economies. In this way, each and every one will be able to pursue his full measure of happiness in a more dignified way without any form of restraint. It is believed that when the time comes when all and sundry in society are better placed to make meaningful contributions to better their lots, society becomes the net beneficiary. The wealth of the nation is thus multiplied in many folds. We dare add that only then can the dream of Smith (1776) in his *Wealth of Nations* be fulfilled (Gopnik, 2010).

3. References

- i. Alio, R. J. (n.d). A conversation with Gary Hamel: It's time to reinvent management.
- ii. Bass, B. M. (1990). From transactional to transformational leadership: Learning to share the vision. *Organizational Dynamics*, 18(3), 19-32.
- iii. Berle, A. & Means, G. (1932). *The modern corporation and private property*. New York: Clearing House.
- iv. Birkinshaw, J., & Goddard, J. (2009). What is your management model? *MIT Sloan Management Review*, 50(2), 81-90.
- v. Boatright, J. R. 1996. Business ethics and the theory of the firm. *American Business Law Journal*, 34(2): 217-38. <http://dx.doi.org/10.1111/j.1744-1714.1996.tb00697>
- vi. Burns, J. M. (1978). *Leadership*. New York: Harper & Row.
- vii. Carroll, A., B. & Buchholtz, A., K. (2006). *Business and society: Ethics and stakeholder management* (6th ed.). Ohio: Thomson South-Western.
- viii. Dunn, T. E., Lafferty, C. L., & Alford, K. L. (2012). Global leadership: A new framework for a changing world. *S. A. M. Advanced Management Journal*, 77(2), 4-14.
- ix. Early, P. C., Ang, S., & Tan, J. (2006). *CQ: Developing cultural intelligence at work*. Stanford, California: Stanford University Press.
- x. Fielder, F. E. (1967). *A theory of leadership effectiveness*. New York: McGraw Hill.
- xi. George, J., M. (2013). Compassion and capitalism: Implications for organizational studies. *Journal of Management*, 40 (1), 5-15. DOI.10.1177/01492063134900028.
- xii. Goleman, D. (1995). *Emotional intelligence*. New York: Bantam Book.
- xiii. Gopnik, A. (2010, October 18). Market man: What did Adam Smith really believe? *The New Yorker*, 86(32), 82-87.
- xiv. Grant, M. A. (2008). The future of management: Where is Gary Hamel leading us? *Long Range Planning*, 41, 469-482. doi:10.1016/j.lrp.2008.06.003.
- xv. Hamel, G. (2009). Moonshots for management. *Harvard Business Review*, 87(2), 91-98.
- xvi. Hamel, G & Breen, B. (2007). *The future of management*. Boston: Harvard Business School Press.
- xvii. Hersey, P., & Blanchard, K. H. (1969). *Managing organizational behavior: Utilizing human resources*. New Jersey: Prentice Hall.
- xviii. Jilani, Z. (2011). How unequal we are: The top 5 facts you should know about the wealthiest one percent of Americans. [ThinkProgress.org](http://thinkprogress.org/economy/2011/10/03/334156/top-five-wealthiest-onepercent/). <http://thinkprogress.org/economy/2011/10/03/334156/top-five-wealthiest-onepercent/>. Accessed July 28, 2015.
- xix. Kaufman, S. (1995). *At home in the universe*. Oxford: Oxford University Press.
- xx. Maslow, A. H. (1943). A theory of human motivation. *Psychological Review*, 50(4), 370-396. Retrieved from www.en.wikipedia.org on August 10, 2015.
- xxi. McKinnon, A. M. (2010). Elective affinities of the Protestant ethic: Weber and the chemistry of capitalism. *Sociological Theory*, 28(1), 108-126. Retrieved from www.en.wikipedia.org on August 10, 2015.
- xxii. McNally, C. A. (2013). How emerging forms of capitalism are changing the global economic order. *Asian Pacific*, 107, 1-8.
- xxiii. Ryan, L. V., & Buchholtz A. K. (2001). Trust, risk, and shareholder decision making: An investor perspective on corporate governance. *Business Ethics Quarterly*, 11(1): 177-93. <http://dx.doi.org/10.2307/3857876>.
- xxiv. Smith, A. (1776). *The wealth of nations* (5th ed.). New York: Bantam Dell.
- xxv. Zhang, X. (2010). A new member of the 'intelligence family' – cultural intelligence (CQ). *Cross Cultural Leadership*.