

Management in the Future

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Introduction

THE changes of the technological age which are already affecting our lives personally have also begun to affect the world of business and industry in a variety of ways. It is quite obvious that management in the future will rely much more on technology for some of its functions, such as planning, organizing, leading, and controlling. Korey (1985) notes that revolutionary new trends and developments have had an unprecedented impact on methods of business management and are profoundly altering the role of executives in business the world over. Wagner (2002) notes that under the old model of management, managers were viewed as a separate part of the organization's workforce, a mere link between the executives who make the decisions and the labourers who carry out the work. But in the new model, managers both make decisions and do work themselves. This trend will probably continue in the future as companies struggle to make bigger profit with fewer workers. With the growth of multi-national global corporations, the future of management will certainly entail understanding the customs and social pressures of at least one foreign country, perhaps more. Managers must not only lead their people, they must be able to predict outcomes, organize the work force and production, and control the product's delivery and performance.

Moreover, management in the future will be driven by changes that will occur due to the computerization of business and industry, internationalization and worldwide explosion of business opportunity due to the insatiable demand for consumer goods among all income groups, and the information explosion that is forcing the senior executive to rely more on subordinates (Korey, 1985). These predictions of about three decades ago are already with us. Therefore, to be relevant and still remain in business in that kind of environment, the full impact

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of e-commerce on our daily activities and business dealings must be well recognized and acknowledged, so we are not caught unawares, severely weakened or totally left stranded. Also, the meaning of management will have to be redefined and re-interpreted to be in line with the demands of the new millennium. Also, managers must have a global perspective in their business dealings.

Managers in the Future

Drucker (1985) observes that managers of the future will certainly face more challenges in all four functions of management than managers face today. There will be increasing competition from global markets, so planning and organizing will be crucial in the success of any organization. Managers must deal with these new options and be open to them if they are going to continue to motivate and control their workforce effectively. Schwair (2001) concludes that leaders of the future will have traits that scare upper level managers of today. They will need to be open to more work in more areas than they may have initially anticipated, and they will have to be open to blurred lines between the workforce, middle management, and executive management. If a manager is excellent at organizing and planning, but does not understand the first thing about motivating his expatriate workforce, then he or she will probably not succeed as a manager in a multi-national company. It is clear that in the future, managers must learn to be more flexible. Female managers, who were almost non-existent in the past, will play a much bigger role in the future as organizations realize that women are as good (or even better than) as their male counterparts (Hassan, 2010).

In furtherance of the responsibility of the managers in the future, Korey (1985) opines that future managers will have to understand their employee's needs and values and have to focus on their requirements for meaningful work and increased responsibility which result in increased research on human resources management and on human behaviour in organizations. Future managers will be primarily generalists i.e. their roles will be to manage and operate a total system, utilizing inputs and outputs in a rational and logical relationship. They will coordinate the unification of functions resulting from new technological advances.

The difference between leadership and management will be even more distinct in the future than what it is presently. Managers have to undergo a metamorphosis into highly educated technocrats with a narrow field of specialization (it will herald the end of the generalist manager) whereas leaders have to emphasize forming strategic alliances and creating loose partnership without compromising their competitive position. Leaders increasingly have to concentrate on creating sophisticated demand conditions, finding new buyers for their products domestically and internationally (Schwair 2001). This new class of inspirational leaders needs to demonstrate intellectual enthusiasm, passion and creativity in dealing with mid-to long-term problems in a highly uncertain and volatile environment. These managers and leaders are in a unique position as they possess the breadth and depth of knowledge of creating an exceptional environment that recognizes and nourishes talents and brings out the best in their teams. In such a

conducive atmosphere, people will feel treasured and secure to pursue their deep intrinsic life goals combined with the strategic objectives of a company.

Without the mental capacity to deal with a variety of complex problems and possessing a curious and inquisitive mind, leaders will be doomed to fail. The moment this flexibility is taken away from an employee (and manager) companies end up sub-optimizing their human performance potential. Managers need the freedom to operate in their respective environments without being controlled or micro-managed. Despite millions of dollars being spent on brain research and understanding the cognitive thinking process, the human mind is still a mystery and raises more questions than answers. Human behaviour is still misunderstood in a lot of companies as human resource professionals lack either the training in psychology and/or behavioural science that is required to take a company to the next level of achievement (Porter, 1985). The macho management style of Albert Dunlop and Jack Welch of the 80's and 90's is not workable in this millennium as noted by Lindgren and Bandhold (2003). What this millennium requires are managers who understand the emotional needs of their workforce. Such are managers who have education in liberal arts and humanities coupled with solid business acumen, thus balancing a rational approach with emotional intelligence to problem solving. Through their actions and behaviour they demonstrate better understanding of what motivates employees; they manage with hearts and souls and not only with their heads.

Organizations of the Future

Yates and Skarzynski (1999) note that organizations in the future will be much bigger in terms of market capitalization and market penetration – they will permeate and impact on every level of society. Cross-border mergers will be the norm. These mega companies will, however, be much smaller in terms of permanently employed staff. There will be a core of top line managers that will be paid according to specialization and their performance. These managers will represent the company and look at it as an extension of their family (something that was common practice in the 70's and 80's in Japan). The remaining staff will be employed on a temporary basis (contracted workers), thus keeping payroll at minimum. However, Yates and Skarzynski observe that the most crucial point is the ability of reading the signs of the market and having a global vision. Understanding market trends and understanding consumer behaviour is vital for success. A major demographic shift occurs right in our daily lives and social scientists warn us frequently of dire ramifications they are if not addressed. Managers must demonstrate the ability to adapt their organization and their teams to the constant market changes that frequently will occur. Successful companies will depend on the vision of the man on top.

Lindgren and Bandhold (2003) also note that companies of the future will be even leaner with flat organizational structures that underscore speedy decision making over prolonged debates. The corporate head office in the future of a multinational company will consist of a small core of highly specialized people

coordinating finance, marketing, legalisms, as well as information/system technology and R&D – but the decision making process will be decentralized to reflect the changing consumer behaviour into several “strategic hubs” close to customers where the action is. Exercising mental flexibility, identifying new consumer trends and financial discipline will be key character traits in these new business leaders. Companies have to renegotiate the social contract with their associates and examine loyalty and ownership that will be based on a *quid pro quo* relationship (Lindgren and Bandhold, 2003). These managers will assume dual positions: that of an inspirational and transformational leader as well as a managerial role in their individual functional discipline. In return, they will be highly compensated and well rewarded for their commitment and association with winning companies. Compensation will be based on market share gains and long-term share value appreciation – five to ten years – instead of focusing on quarterly results. Ultimately, the long-term prosperity of a company becomes a central concern.

Workforce in the Future

Drucker (1985), the Austrian-born father of modern management and self-described social ecologist, redefines management in the 20th century by calling it liberal art and places “human beings” at the centre of the 20th century corporation – thus, the birth of the knowledge worker. He also advocates the need for decentralized decision making and empowering the workforce, especially mid-level managers who know more about certain subjects than their bosses but had to cooperate with multifunctional teams across various disciplines all in a bid to get products to the marketplace in a timely manner. It was the mind of the “intellectual worker” that intrigued Drucker for most of his early management consulting life. Among his enduring legacies is the notion he creates that companies have a social responsibility to the environment in which they operate. His famous question “What business are we in?” was the central question CEOs had to ask if they wanted to succeed in an increasingly competitive marketplace, where the fight for market share, appreciating stock price and profit margins ruled supreme in the financial market.

Educational Needs of the Future Management

Universities, vocational schools and other educational institutes will have to shift their focus from one-dimensional educational institutes to a differentiated more specialized field of education in order to meet new demands of managers. Cunningham (1988) notes that most universities in the world favour, in their curriculum, a multinational company’s approach to conducting business in different geographic locations. Whilst this model had its disadvantages in an environment that encourages us to “think global and act local”, it does not prepare executives for the rigour (and inevitably frustration) of conducting business in developing or emerging destinations. It is often said that India is the service industry of the world and that China is the manufacturing destination of

the world. So how well do business schools across the world prepare their executives to live, lead and conduct business in these flourishing economies? Unless leading universities adapt to the changing business paradigm, they will lose their reputation and/or become irrelevant.

Also, Korey (1985) proposes a new discipline or field of study called "Managerial Futuristic", a future-oriented discipline and activity based on the philosophy of futurism and the intellectual exploration of a future that seeks to identify, analyze and evaluate possible changes and developments in human life and the world from the point of view of managerial leadership. He explains further that the basic assumption of the discipline is that people can make meaningful forecasts about the future if they take the trouble to understand fully the present conditions and trends in business, life, society and the world in general. It is the objective of managerial futuristic to assist them in this process. The important role of the managerial futuristic perspective is to provide a useful framework for decision making and planning by developing reasonable assumptions about the future (expressed in terms of probability or possibility rather than certainty), based on assessment of present conditions, the identification of future dangers and opportunities, suggesting alternative approaches to issues and evaluating alternative policies and actions, thus realizing that new future possibilities are open to us and that these increase the extent of our choice.

This new area of research in management, according to Korey (1985), will study the possible impact of future technological, economic and social developments and an assessment of their consequences for management people. This emerging discipline would prepare management leaders to live in a changing technological, economic and social world; it would develop their understanding of our environment, the fundamentals of modern technology, genetics, evolution and population dynamics; it would provide a better understanding of mankind and society, human process, ecology, social psychology, changing occupational patterns, education and employment; it would increase personal competence, develop access to information and encourage independent learning styles. It would also assist in developing more effective communication for better management and an enhanced understanding of management strategic planning as a tool for dealing with the *problematique* of future changes in all its dimensions (composite strategic planning, operational management planning and tactical planning), seen through the prism of the social responsibility of managerial leadership of the future.

Ethics and Social Responsibility in the Future

There would be high demand for high moral and ethical behaviour from managers in the future both locally and globally, especially in relationship with their colleagues, customers and other stakeholders. In the future, managers would be mindful of decisions they take on behalf of the organization, because inappropriate decisions can cost the organization lifetime loss as it can be seen from the economic meltdown of year 2008. In a developing economy like Nigeria,

management in the future will entail deregulation of line management; conversion of civil service departments into free-standing agencies or enterprises; performance-based accountability, particularly through contracts; and competitive mechanisms such as contracting-out and internal markets. Also, public administration in developing countries should be redefined to become public management so as to fast-track the development of such economies.

Shift in Future Global Dominance

Management in future will witness a shift in global dominance from the developed to the undeveloped areas. Past and current developmental trends tend to support this prediction. Ogundele and Hassan (2010) provides an outline of shifting trends in global dominance in ancient Egypt, Greece, Rome, European countries, United States of America, Japan, Asian Tigers and China. Then, they predicted the dominance of the world economy by African nations in the 21st century. They states that the fulfilment of the prediction will depend on developing appropriate skills in African managers and entrepreneurs. There are signs that this prediction may soon come to reality. Ochigbo (2011) reports that Nigeria is the fourth fastest growing economy, based on a World Bank report. The report listed other countries that recorded significant growth in their economies to include BRIC countries – Brazil, Russia, India and China. Nigeria has slowly been rising and has finally taken over from Russia and South Africa. If this trend is maintained, the prediction in development shift in the future will become a reality. The implication is that management practice from the African perspective will become a major issue for analysis and improvement.

Conclusion

For proper and efficient future management, future executives must be competent, sound, vibrant and innovative in a way that the present managers are not. They must be ahead in terms of recent and most applicable advanced technological and managerial tools that can be of help in complex and complicated processes of managing future changes. They must be able to apply their own knowledge to the analytical process required, and have the pedigree and wherewithal to lead, motivate and organize the workforce in an efficient and positive manner through better understanding of the complexities of human personality so as to bring out the best in them and enjoy their full and unflinching support. Lastly, they must manage by value where emphasis will be on ethically desirable behaviour while not undermining enterprise profitability.

Review Questions

Section A: Multiple Choice Questions

- (1) In the future, management will rely much more on _____.
 (a) human being (b) raw materials (c) changes in the society (d) technology.
- (2) _____ has had an unprecedented impact on methods of business management.
 (a) Finance (b) Budgeting (c) New trends and development (d) Staffing

- (3) Under the old model of management _____ are viewed as part of the organization's workforce.
(a) managers (b) customers (c) stakeholders (d) government.
- (4) In the new management model, managers _____
(a) make decisions only (b) do work themselves only
(c) rely on subordinates (d) make decisions and do work themselves.
- (5) Which of these is not the responsibility of a manager?
(a) Predict outcomes (b) Manipulate people
(c) Motivate people (d) Lead people.
- (6) Planning and organizing will be crucial in the success of any organization because _____
(a) there will be increase in competition for the global market
(b) fund will be scarce (c) technology will take over the functions of workers
(d) none of the above.
- (7) For a manager to be excellent in a multinational company, he must be excellent in _____
(a) planning and manipulating (b) organizing and retarding
(c) planning and organizing (d) none of the above
- (8) Leaders are doomed to fail without _____
(a) a treacherous character (b) adequate caucus
(c) a curious and inquisitive mind (d) managerial high handedness.
- (9) Managers need _____
(a) freedom to operate in their respective environment
(b) to be micro managed (c) to be controlled (d) all of the above
- (10) In the past, managers manage with their _____
(a) head only (b) mind and head
(c) heart and soul (d) none of the above.
- (11) Organizations of the future will be much bigger in terms of the following except _____
(a) market capitalization (b) permanently employed staff
(c) market penetration (d) global coverage.
- (12) In the past _____
(a) there were top line managers who were paid according to specialization
(b) staff were employed on temporary basis
(c) payroll was kept at minimum (d) all of the above.
- (13) The most crucial points in an organization are the following except _____
(a) the ability to read the signs of the market (b) having a global vision
(c) understanding market trends and customer's behaviour
(d) buying the latest machine.
- (14) Successful companies will depend on the _____ of the man on the top.
(a) vision (b) opinion (c) intelligent (d) charisma
- (15) Organization in the future will employ contracted workers thus keeping payroll _____
(a) stagnant (b) minimum (c) flat (d) maximum

- (16) According to Lindgrein and Bandhold (2003), organizations in the future will be leaner with _____ organizational structure.
 (a) a flat (b) an inverted (c) hierarchical (d) matrix
- (17) Companies have to renegotiate the _____ contract with their associates and examine loyalty based on a *quid pro quo* relationship.
 (a) economic (b) social (c) moral (d) monetary
- (18) In the future compensation will be based on _____.
 (a) market share gains (b) long time value appreciation
 (c) quarterly result (d) none of the above
- (19) For proper and efficient future management, future executives must be _____.
 (a) efficient (b) innovative (c) sound (d) all of the above
- (20) Future managers must have the pedigree and wherewithal to do the following except _____.
 (a) coerce (b) lead (c) motivate (d) organize

Section B: Theory

- (1) Future of management will be driven by changes that will occur due to computerization of business and industry, internationalization and worldwide explosion of business opportunities due to the insatiable demand of consumer goods. Explain.
- (2) Explain the reasons why a manager must motivate his expatriate workforce in a multinational company.
- (3) What are the differences between the manager and a leader?
- (4) Explain the reasons why human behaviour is still misunderstood in a lot of companies.
- (5) What are the major elements in management of the future?

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