

A Crystal Ball:

The future of management in the 21st Century

A paradox is a statement or sentiment that is seemingly contradictory or opposed to common sense and yet appears to be true.

Successful businesses are responsive. They continually and rapidly evolve by linking stakeholders in ever changing networks. They have more in common with living organisms than clockwork machines. However, and here is the paradox, most industries are being subjected to ever increasing global regulation and standardization.

This article aims to explore some of the big issues facing managers in the new century. Perhaps the biggest challenge of all is going to be letting go of the notion of control. How many of us have struggled to produce intricate strategies and plans and then found them obsolete within hours because of unexpected variables? We might try to make our plan more accurate but perhaps there is another way and that is to accept that what we are managing is too complex to be treated in this way. Organizations must rank as some of the most complex systems on the planet. Our tools for understanding them are inadequate but ideas are emerging from the complexity scientists working in physics, biology, economics, etc., that will help us.

One of the most profound concepts in the “New Science” of complexity is that of emergence. Does a flock of birds have a leader? Does this leader get the birds together at a weekend retreat every year and plan for every flocking situation? Are there flocking consultants who facilitate this process? Which poor bird has to carry the Quality Manual? Birds flock very successfully because each bird, acting as an independent agent, follows three or four simple rules relating to the birds in its vicinity. The flock behavior emerges as a consequence of these simple rules. Isn't this true for businesses? The best we can hope for is educated trial and error founded on continual improvement and never ending learning. As managers we should be working on the rules, or values and principles, and taking away the barriers to continual improvement and learning. Then we can see how results emerge and feedback successful behavior. The organization becomes organic.

At the very same time that some people are questioning the old paradigms, some of them are being written into standards and guidelines of best practice! How do we manage the paradox? Who knows? But we will, because the pressures are not going to go away. In a world full of such complexity it would be impossible to predict all of the influences for the next century but summarized below are some of the factors that will play a part in shaping organizations.

ISO9000: 2000

International standardization will continue. The new ISO9000 series will be launched this year. It is already at the Draft International Standard (DIS) Stage. There will be two standards ISO9001 and ISO9004. These will be fully compatible and integrated. ISO9004 will still contain guideline information but will be much closer to business excellence models such as Baldrige and the European Foundation for Quality Management's Business Excellence Model. ISO9004 will strongly promote the stakeholder agenda. ISO9001 will still focus on conformance but will require greater emphasis on continual improvement. Process management is central to both standards.

ISO14000

Environmental issues will grow in importance. The need to protect the environment will require even more concentration on reducing waste. ISO9000 and ISO14000, the standard on environmental management systems, will become more compatible. ISO14000 will follow the growth curve that ISO9000 has been through in the last ten years. Sustainable economic development will have to become reality rather than rhetoric.

Diversity

Diversity will finally get onto the business agenda in a serious and meaningful way. The world's best companies will change the way they work to take into account the diversity of their staff and their customers. Products and services will become even more differentiated to incorporate life style, gender and racial differences. Every customer, and member of staff, will have to be considered as an individual rather than a homogeneous group. Customers and staff will now longer accept the "Dilbertian" platitudes paid to the subject.

Business Excellence Models

The EFQM's Business Excellence Model has been revised and re-launched. The revisions make self-assessment easier and the popularity of the model will grow both in the public and private sectors throughout Europe. Continual learning and partnership working have now become central components of the new model. The US Malcolm Baldrige Award for Quality will also be improved. These models have become de facto standards of excellence and in the new century they will be applied to all organizations.

Learning

The quality of staff will become even more of a key differentiator between successful and unsuccessful organizations. Developments in our understanding of the physiology of the brain will ensure great leaps in how we learn and this will be a cornerstone of continual improvement. Individuals who master their own learning styles will become sought after by corporations to become part of their well-rewarded cores. Those who don't may fill the ranks of a growing information underclass. A real challenge for employers will be to achieve high levels of motivation and commitment with people who don't make up the core and have few of the benefits of those who do.

Stakeholding

Stakeholders' expectations will continue to increase and ways will be developed to involve and empower stakeholders to a much greater extent. Methods will emerge which will enable sound decisions to be made rapidly by involving thousands of different players.

Technology

Technology will continue to make geography less relevant and enable communication and learning on a scale the world has never seen. This too will enable much greater stakeholder empowerment. Power will become much more dispersed especially with customers and this is one of the reasons that organizations will have to take diversity seriously because customers will demand it and vote with their dollars.

Rights & Responsibilities

In the public sector, and to a certain extent in the private sector, we will move on from a simple service concept. Approaches such as the UK's Citizen's Charter, whilst useful in getting the public sector to focus on service, have a major flaw. One cannot have rights without responsibilities. It is amoral to take and not to give. Students, parents, patients, tax payers, etc., all expect certain wants and needs to be satisfied but the organizations serving them expect certain things in return. Organizations will start to become more confident in defining the responsibilities of clients in receiving quality services. This trend will be repeated in the private sector. If staff expects to be involved to a greater extent in the running of the business then they have a responsibility for their own learning. If shareholders desire high returns then they must be prepared to commit on a longer-term basis. If people expect to receive benefits then they must be prepared to contribute something in return to their community.

Complexity - The New Science

Complexity has already been referred to in this article. Of all of the changes or developments mentioned above, complexity theory will have the greatest impact on how we understand and run organizations. Newtonian concepts of cause and effect are being challenged as all major disciplines start to understand the underlining orders in complex systems. These new theories are starting to filter through into the latest management thinking. Some of the revelations are as follows:

- Simple systems can give rise to complex behavior
- Complex systems can give rise to simple behavior.
- Small changes on a system can have huge effects.
- Complexity laws are universal.

Perhaps the next century will see the demise of the manager altogether? Those millions of people who buy Dilbert books probably hope so. But in the end perhaps the manager, like everything else on this planet, will evolve to a higher level of being. Perhaps then we can call ourselves facilitators and mean it.

John Marsh is an international consultant and author who resides in Hawaii. His website is <http://www.tqp.com> and he can be contacted at john@marshj.demon.co.uk. His books are available from <http://www.Amazon.com>.

Copyright, 1999, John Marsh