

NEW TRENDS IN MANAGEMENT

Micu Alexandra, Micu Ion

*Department of Doctoral Studies, Faculty of International Business and Economics,
Bucharest University of Economic Studies (ASE)*

alexandra.micu@yahoo.com

micu.ion@gmail.com

Abstract: *Over the last years, management have been facing a series of profound changes in trends coming and going, one being more productive than other or causing more damage when applied improperly. The paper focuses on the last trends in management that have evolved in the last years, trends that have been marked by a Darwinian business environment and made more unforgiving since the financial crisis and the innovations in technology, social media and management philosophy. The paper will present and describe the most important new trends in management that enabled select organisations to remain competitive and overcome the multiple difficulties caused by the ever-changing economy based on a qualitative research. From the “outside innovation” that is considered always to be the key in overcoming the obstacles facing an organization, to the new buzzword “design”, that is said to ensure the organization long-term competitive advantage, the paper will analyse new trends and also will be describing the impact they have on the welfare of the organization. The research has also shown that managers tend to put a greater accent on searching for innovation rather than efficiency in order to ensure a continuous progress in the organization and to maintain business sustainability. The paper will not be comparing the efficiency of these different philosophies, or the results they generated, as time will still be the ultimate judge.*

Key words: new, trends, management, change, organization, business, innovation

JEL classification: M10

1. Introduction

The management of a business it's considered one of the most important aspects in determining the competitiveness, innovation, profitability and sustainability of that business. That is why this has become one of the most studied disciplines in business and inspired more than a few bestsellers.

There are certain men and women, like Henry Ford, Richard Branson, Larry Paige, Jeff Bezos etc., which are revered as extraordinary managers being singularly responsible for the success of the companies they headed and are considered role models by people around the world. That is why in business there is always great interest in the latest management trends and innovations because everybody wants to make the best use of limited resources and to be competitive in an ever increasingly demanding market, achieving in the process a place in “*the hall of fame*” of managers.

Over the years we all came face to face, in one way or another, with downsizing, re-engineering, restructuring, delayering (Ostroff, 1999) and so on, that we are now referring to as past trends. If downsizing is being regarded by management most often as a cost-cutting measure (Mellahi & Wilkinson, 2004), delayering is seemed as a radical redesign of an organisation's structure and restructuring is considered to be a solid management tool (Ostroff, 1999). Further on, the paper will present and describe the latest trends in management that have been captivating the attention of managers worldwide.

2. New trends in management

2.1. The Outside-in Innovation

Everybody agrees that innovation is always key. That is why the corporate world in general has a major flaw by transferring, willingly or not, the philosophy of the corporation to its employees. This, combined with each one's personal expertise, which is usually accumulated in the same corporation, makes it difficult for the employees to recognize new, potentially "game changing", ideas, leaving it up to the competitors to implement them for an increased market share. That is why it is important to change the corporate culture from valuing the people who know to valuing the people who can learn, so that open innovation can be promoted. This trend was first implemented by the CEO of P&G, A.G. Lafley who implemented a new R&D policy by promoting the idea that half of the innovations implemented by his company should come from their own researchers and half *through* them (Huston & Sakkab, 2006).

This new concept meant that instead of dismissing the innovations developed outside of the company they should be embraced and incorporated into P&G's own R&D so that better, cheaper and more appealing products could be offered to the consumers (Huston & Sakkab, 2006). By implementing this new model, a new perspective for overcoming challenges emerged, by looking to other industries and adapting the solutions developed for their technical problems to solve your own specific "puzzle" with the help of parallel experts (Huston & Sakkab, 2006). Although it is common knowledge we must always remember ourselves to not only learn from our own mistakes, but from the mistakes of others as well (Maddock & Viton, 2009).

2.2. Social Media as an Innovation Tool

In the past few years, social media has come to define us as a person and to define our social interactions with each other (Maddock & Viton, 2009). Facebook, Twitter, Pinterest, LinkedIn, Google+, YouTube, Flickr or Instagram are social media sites used by millions, if not billions around the world, to express themselves, their ideas, hobbies and interests or to connect with each other. These websites are even specialized on certain interests or certain social connections and thus we all have a higher influence on our fellow man by showing them what we like or what we find interesting and suggesting, deliberately or not, for them to try the same thing. The concept is simple: if it's good for them it must or could be good for me too (Darrell & Bilodeau, 2013).

In this manner, the social media platforms that we all use daily have come to represent the zeitgeist of our generation and this presented a whole new set of opportunities for commercial innovation. They became the perfect place to test and to look for, new ideas, concepts or insights on the preferences and needs of the consumers (Haysa, Pageb, & Buhalls, 2012). The sheer amount of information and new tools made available to researchers and marketers is staggering and in a few years has completely changed the way things work (Banerjee, 2013). Everybody is looking for new ways to utilize and to take advantage of the new opportunities made available through these platforms. Those who aren't are simply left behind.

2.3. War games

As we explained earlier, a very good innovation tool is to look to the solutions applied by others to their problems and to adapt them to yours. Every manager's nightmare is that a new start-up or a rival company will appear overnight with a competitive product that will be so innovative that it will take over the whole market share before you have a chance to adapt. Think eBay, iPhone, Dyson, Windows or other such examples that have become the subject of countless case studies. The solution to this kind of threat, that more and more managers have started to implement, is inspired from the military. Every army in the

world organizes war games that are intended mainly not to train the soldiers but to highlight their weaknesses and the strengths of the enemies (Maddock & Viton, 2009). For a company, these kind of exercises were mostly intellectual ones by analysing the market and adjusting its SWOT diagram accordingly. But now a new concept is emerging to put together a team of specialists, which are not involved with your industry, to try and develop a new product/service or business model that would be the equivalent of an atom bomb, by giving them access to all the research and resources that you have at your disposal (The Economist, 2007). In the worst case they can't come up with anything that would pose a threat to your company's position but it could also lead to a "eureka" idea that your company can use to get ahead (Gilad, 2008).

2.4. Sustainability, Corporate Social Responsibility and Shared Value

Every business's future is interconnected to its community, which is composed from the people and the environment, which affects the interests of that business. One of the principle concepts in economy is that people will first address their basic needs (healthcare, food, shelter, safety etc.) and after that they will satisfy their other needs like entertainment for example. This means that for a company to be sustainable the environment in which we live, that affects the basic needs of the consumers, needs to be sustainable (IBTimes, 2011). That is why complex social issues like access to healthcare, quality of life or energy security are becoming of more interest and influence to business management with the objective of creating shared value (IBTimes, 2011).

Also, aside from the positive public response, a "think green" approach could also improve the workspace. For example using eco-cleaning supplies could improve the working conditions for employees that suffer from certain allergies, not to mention the probable long time health benefits for all the employees. This kind of approach will also improve the attractiveness of the work environment and of the company for all the people that work there, which could mean a more meaningful work experience leading to improved productivity (Jamali & Sidani, 2012).

For this reason a lot of companies have started to intensify their efforts with their corporate social responsibility programs and the innovative methods by which they try to address the current social problems. There is a trend to change their methods from the philanthropy style, which consisted in making an immediate but short-lived impact in the community to trying to solve the systemic conditions which give rise to these social problems (Morgeson, Aguinis, Waldman, & Siegel, 2013). Basically this new trend can best be described by the well-known proverb "*give a man a fish and you feed him for a day; teach a man to fish and you feed him for a lifetime*".

2.5. Brightsizing

One of the latest fashionable and sticky words in management nowadays is *brightsizing*. The interesting thing about brightsizing is that it isn't really a trend but it is considered to be a reaction to the past trends (Reh, 2014). Though this issue have been a comic material all over the Internet, one should not underestimate the impact it has on the organization. Paul McFedries explains this concept on his website Word Spy, as "corporate downsizing in which the brightest workers are let go. This happens when a company lays off those workers with the least seniority, but its those young workers who are often the best trained and educated." Brightsizing is common in both union and non – union contracts, but it is more likely to be attributed to the union contracts, because they are characterized by seniority-based hiring and firing practices (Reh, 2014). Moreover, in terms of downsizing, many companies state in their employees' handbooks that "among equally qualified candidates preference will be given to the employee with the greatest seniority."

One of the common mistakes regarding layoff decisions is judging by the extenuating factors such as seniority in the company and bypassing the value of the employees. As the company grows, some of the employees start to outgrow their capabilities among their positions in certain departments. Thus, in order to keep its loyalty towards the employees, the management is allowing an individual to keep his job inside the company by any means, such as finding him different jobs in other departments, due to the fact that he was one of the first employees hired by the company (Saxena, 2009). There is always the risk of one individual to become a great liability to the company due to his inability to adapt and adjust to the change and growth of the company (Reh, 2014). Therefore, every decision should be made based on what is best for the company.

2.6. Business Analysis Focused on Design

A trend that will most probably evolve in the next years is the concept of *design thinking*. In order to innovate and be successful, companies need to focus their business analysis work around design (Frisendal, 2012). In his book *The Design of Business*, Roger Martin describes design thinking as “a balance between analytical and intuitive thinking”. Moreover he states that design thinking and also combining explorative thoughts with an exploitative mentality in the process is necessary for companies to maintain long-term competitive advantages. One of the common mistakes for companies nowadays is that they rely too much on analytical thinking, and only some of them take advantage of that knowledge and use it in ways that will provide them breakthrough innovations (Frisendal, 2012). The main quality of design thinking that also separates it from the traditional business analysis method is that designers experiment in order to find a “better answer” starting from the “best answer” already provided by the traditional business method, thus “creating the new while providing the best of the present”.

Although the business analysis have been including design work for a long time but using other names to describe it such as “to-be requirements” and “logical design”, it is only now that the IIBA® (International Institute of Business Analysis) has given “Design” an equal place in the business analysis table of the 3rd edition of the BABOK® Guide, referring to it as “a usable representation of a solution”.

2.7. Better communication

A new trend in management that will continue in 2014 is the idea of a better communication between the members of the organization and also its shareholders. The lack of employee engagement for a better communication impacts performance and productivity and the costs are being reflected on the entire organization. One of the obstacles that managers are facing nowadays is the fact that many projects have team members distributed geographically, thus making it difficult for them to connect properly with their team members (Brockmeier, James, Larson, & Larson, 2014). In order to maintain a good communication with their members, and also their shareholders, companies started embracing the use of communication tools, both audio and video, instead of the classic documentation or e-mail, which is based only on the exchange of written words. Further research has shown that direct interaction with team members or even shareholders can produce positive results and also bring value to the company rather than simply producing documentation that does not always includes all the relevant information (Brockmeier, James, Larson, & Larson, 2014). Some of the benefits of an effective communication reflect on employees’ engagement with their jobs and the business. In order to maintain an effective communication, managers must prove themselves to be very able to observe, listen, question and also to identify and state the real needs of an organization (Alla, 2014). A great communicator is the one who not only manages to captivate one’s needed attention for understanding the recommended

solution but also communicates the information in a way that endorses acceptance and recognition.

3. Conclusions

Organizations are facing many challenges and choices. Some organizations may come to find that their time for decision-making is very limited and others may find themselves having more choices that they can handle. On the other side, management trends come and go. They are good or bad depending on many variables: industry; company culture; education level of workers; existing contracts and laws; etc. Mostly, however, they are good or bad depending on how well they are applied.

From the analysis of these trends we can observe that managers put a greater accent on searching for innovation rather than efficiency. This is why managers tend to search for the “next big thing” rather than the “best thing” currently available. Also we can observe that the search for this innovation can only come by first innovating the way the company thinks. Almost all these trends suggest in one way or another a radical change in the business philosophy and the way managers relate to the market and to their employees. Although technology has always changed the way of doing business the recent development in social media platforms has changed the way that consumers relate to one another and to the products or services of businesses. Social media has also lead to the development of a new way of marketing and of doing research, and it has permitted businesses to better adapt to their customers, leading to the challenge to adapt to these new tools and to implement them better than the competition.

Apart from these new trends there is also a reinventing of old ones, like the study of psychology or the implementation of corporate social responsibility, which is determined by a new understanding of these fields. Nevertheless, the key to success is not necessarily to follow trends, but to be a trendsetter.

References

- Alla, L. (2014). *Poor Management Communication Leads to Low Employee Productivity*. Retrieved from <http://savvychicksmedia.com/topic/business/poor-management-communication-leads-employee-productivity/>
- Banerjee, B. (2013). Trends in the Use of Social Media as a Tool of Marketing Communications in FMCG Sector in India. *International Journal of Online Marketing (IJOM)*.
- Brockmeier, A., James, V., Larson, E., & Larson, R. (2014, 01 21). Retrieved 04 14, 2014, from BATimes : 2014 TRENDS IN BUSINESS ANALYSIS AND PROJECT MANAGEMENT
- Darrell , R., & Bilodeau, B. (2013). *Management Tools & Trends 2013*.
- Frisendal, T. (2012). *Design Thinking Business Analysis: Business Concept Mapping Applied*. Springer.
- Gilad, B. (2008). *Business War Games: How Large, Small, and New Companies Can Vastly Improve Their Strategies and Outmaneuver the Competition*. The Career Press.
- Haysa, S., Pageb, S., & Buhalls, D. (2012, 03 12). Social media as a destination marketing tool: its use by national tourism organisations.
- Huston, L., & Sakkab, N. (2006, 03 20). *P&G's Innovation Model*. Retrieved 04 15, 2014, from Harvard Business School: <http://hbswk.hbs.edu/archive/5258.html>
- IBTimes. (2011). *The 5 Most Prominent Management Trends of the 21st century*. Retrieved from IBTimes: <http://www.ibtimes.com/5-most-prominent-management-trends-21st-century-271373>
- Jamali, D., & Sidani, Y. (2012). *CSR in the Middle East*. UK: Palgrave Publishing.

Maddock, M., & Viton, R. (2009, 06 02). *The New Rules of Managing Innovation*. Retrieved 04 12, 2014, from Business Week:
http://www.businessweek.com/managing/content/jun2009/ca2009062_631431.htm?chan=careers_new+rules+of+management_top+stories

Mellahi, K., & Wilkinson, A. (2004). *Downsizing and Innovation Output: A Review of Literature and Research Propositions*. British Academy of Management.

Morgeson, F., Aguinis, H., Waldman, D., & Siegel, D. (2013). Extending Corporate Social Responsibility Research to the Human Resource Management and Organizational Behavior Domains: A Look to the Future. *Personnel Psychology*, 66 (4), 805-824.

Ostroff, F. (1999). *The Horizontal Organization*. OUP USA.

Reh, J. (2014). *The Latest Management Trend - Brightsizing*. Retrieved 03 28, 2014, from About.com - Management:
<http://management.about.com/cs/people/a/Brightsizing.htm>

Saxena, K. (2009). *Principles of Management: A Modern Approach*. Global India Publications.

The Economist. (2007). *Business Strategy: Shall we play a game?* Retrieved 2014, from The Economist: <http://www.economist.com/node/9257879>