

# Predicting the Future of Management

Stella Chubiyo Erebor

Ph.D. Student in Management Walden University

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**Abstract:** Fortune telling may not be so difficult for someone who understands current global trends. This paper attempts to predict the future of management by considering the context of leadership, organizational trends, and its effects on the domestic labour market. The paper assumes an increase in government interventions across the globe to protect the domestic markets, emphasizing the circumstances of China and the United States of America. The paper further discusses two futuristic leadership models; the global leadership model and evolutionary-based management models then sets out two possible scenarios of future organizations and concludes by highlighting the necessary characteristics of the future manager.

**Keywords:** Capitalism, Domestic Labour Market, Future Manager, Globalization, Global Leadership, Government intervention.

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## I. INTRODUCTION

No organization, business sector, or country's economy is immune to the effects of globalization. With the aid of modern advanced Information and Communication Technologies (ICT), organizations now have; increased ability to purchase and sell product on the international market, ease of fund transfer across country borders, and enhanced ability to source labour from any part of the globe. Globalization has changed the business environment; as a result, there is a need to develop new leadership and management models that can meet the modern challenges of the new global economy.

This paper attempts to predict the future of management by considering the context of leadership, organizational trends, and its effects on the domestic labour market. The paper assumes an increase in government interventions across the globe to protect the domestic markets, emphasizing the circumstances of China and the United States of America. The paper further discusses two futuristic leadership models; the global leadership model and evolutionary-based management models then sets out two possible scenarios of future organizations and concludes by highlighting the necessary characteristics of the future manager.

## II. THE CONTEXT OF LEADERSHIP

Leadership does not exist in a vacuum therefore in attempting to predict the future of leadership, there is a need to consider the different circumstances under which leaders operate in developing leadership theories. R. N. Osborn, J. G. Hunt and L. R. Jauch [10] identified four contexts of leadership namely: stability, crisis, dynamic equilibrium, and edge of chaos. Osborn et al. [10] further stated that different models of leadership fit different circumstances.

The implication of Osborn et al. [10] studies is that future circumstances will determine the appropriate future leadership style. Additionally organizations need to understand that no particular set of leadership style or management model is universally applicable. Hence the survival of an organization is dependent on its leaders ability to change their perspectives to meet the challenges of the changing conditions.

## III. GLOBAL ORGANIZATIONAL TRENDS AND ITS EFFECTS ON DOMESTIC LABOUR MARKETS

Outsourcing of labour to foreign, low-cost countries is a prominent feature in today's global economy. The British retail giant Marks & Spencer experienced a drastic drop in its net profit in the year 2001. To recover from the financial crises, the company along with other strategies, had to forego its insistence on the use of British suppliers [6] at a time when its major competitors were increasingly sourcing their supplies from low-cost countries.

In another instance, Apple Incorporation's ability to outsource its manufacturing to low-cost Asian countries has contributed immensely to its financial success. Apple, a true example of a global company, has demonstrated its organization's ability to transcend country borders. Apple is one of the most profitable companies in the United States [5]. However, Apple's contribution to the creation of jobs in the domestic labour market has been criticized by many economists as, not being significant in comparison to its profitability [1] and its creation of jobs in other countries.

While many domestic companies have benefited from globalization, many others have failed or are struggling to survive as a result of the effects of globalization. The ease of entrance of new international competitors into the domestic markets has put domestic businesses under competitive pressures previously unknown to them. Many companies especially the small and medium scale ones are not able to outsource to low-cost foreign labour markets or sell their product competitively in the global market for lack of competence or finances to set up necessary enabling platforms. Consequently, these companies struggle to survive by embracing cost reduction strategies including laying off employees' therefore increasing unemployment in the domestic economy.

#### IV. GOVERNMENT INTERVENTION IN DOMESTIC MARKETS

The rate of unemployment is a primary concern of government in any country. It is a key performance indicator for any political party in government. Further, an increase or failure to reduce the rate of unemployment by a government in power may result in the loss of elections in a democratic society. Thus with the increase in the rate of unemployment in countries negatively affected by the labour arbitrage in the global economy, many affected governments will increasingly come up with policies to protect their domestic labour market.

As is already the case, different regions, countries, and organizations will experience different fortunes, depending on the strengths and flexibility of their strategies and policies [12]. In addition, the realization of the inter-dependencies events will be a key survival factor in a global world. Therefore, governments and organizational leaders alike need to be aware and understand global events, trends in formulating their strategies, and policies.

Global trade has created many jobs to the benefit of countries like China. The labour arbitrage that has created enormous job opportunities in China will fade away with the increase in income and standard of living of its citizens [12]. However, certain factors will work to their advantage including; the technology transfer from the West, the large population to support the domestic market, the aggressive state-supported foreign business expansion strategies and the state control form of capitalism [9] that would actively seek to protect its domestic market as much as possible from any global shock.

Unlike China, developed countries like the United States of America (USA) have experienced mixed fortunes. While some American companies are making mega profits, other are having difficult time as a result of global competitive pressures. Resultantly while the USA benefits from reduced prices of goods, there is an increase in the unemployment rate and inequality in income distribution. Further, the USA Government espoused theory of believing in the free market will put the government in a very tight spot in deciding what directions to take without contradicting its capitalist's ideology. While there, would be increase in agitation, and call from certain sector for the government to intervene and protect the domestic market, any such intervention by government will result in counter criticism by proponent of the free market.

Consequently, the government may tend towards policies that encourage companies to be socially responsible through the practice of compassion capitalism [3] and moral leadership. Moral in this case meaning the preference of the domestic market as a social responsibility as opposed to making decision based on pure economic rationale. While idealistic theorists will believe in the attainment of such laudable goal on a nationwide scale realist like A. Kaletsky [7] have cautioned that a failure by the USA and Europe to adopt ideological flexibility and recognize that changes in both market and government thinking are unavoidable, would result in a global economy shaped more by China's state-led capitalism.

#### V. GLOBAL LEADERSHIP MODEL

An example of an idealistic leadership model is the global leadership model developed by T.E Dunn, C.L Lafferty, & K.L Alford [2]. The global leadership model has incorporated four existing leadership theories: transactional leadership, transformational leadership, conscious leadership, and transpersonal leadership into one all-embracing leadership

framework rather than presenting them as conflicting theories. Thus, Dunn et al. [2] presents a global leader as one who must be able to operate effectively on four domains of leadership as follows:

1. Task. This is consistent with Bass [2] transactional leadership, requires a global leader to have transactional leadership competence in order to inspire employees toward task completion through transactional exchange between leaders and followers.
2. Relationship. This is consistent with Bass [2] transformational leadership, requires a global leader to have transformational leadership skills in order to obtain and sustain relationship with key organizational stakeholder.
3. Awareness. This consistent with Chatterjee, (1998) [2] conscious leadership, requires a global leader to undergo self-reflection, self-assessment and self-awakening by considering their past behaviour, current skills, and seeking future leadership growth opportunities.
4. Purpose. This is consistent with McCashn, (2008) and Gozdz, (2000) [2] transpersonal leadership. Purpose enables a leader to transcend from self-interest to organizational and societal goals.

Further Dunn et al. [2] presents, a global leader as one who is able to operate efficiently at the tactical, operational, strategic, and global levels [2]. Additionally, Dunn et al. [2] presents the global leader as one who has six leadership intelligences as follow:

1. Intellectual intelligence (IQ) to deal with high task demands,
2. Emotional intelligence (EQ) to effectively understand and manage themselves and other people's emotions,
3. Cultural intelligence (CQ) to be able to handle cross-cultural issues effectively,
4. Metacognitive intelligence (MtQ) ability to understand oneself,
5. Existential intelligence (XQ) ability to conceptualize, the reasons for human existence, and
6. Moral intelligence (MQ) the ability of a leader to be ethical and altruistic.

The incorporation of other leadership models into the global leadership model suggests the possibility of developing existing leaders into global leaders. It implies that existing transformational leaders can transcend into global leaders by the introduction of Purpose as a domain of leadership through the deliberate practice of self-awareness Dunn et al. [2]. However, the current practices of some globally successful organizations do not suggest that organizational leaders have to be moral to be successful in the global market [8]. More so, what constitutes moral intelligence may vary from one society to another.

## VI. EVOLUTIONARY-BASED MANAGEMENT

Another alternative to the global leadership model in the new global world is the evolutionary-based management. L. Solari [11] suggests that a changing world requires evolutionary based managers who recognize "reality is too complex to adopt a one size fits all approach" [11]. Evolutionary based managers are doubters rather than conformists who have the ability to challenge existing practices, while at the same time recognizing its merit [11]. L. Solari, [11] further states that evolutionary based managers continually develop new approaches to solving management problem by experimentation. And by recognizing that the forces of the external environment may be stronger than any internal strategy or actions that an organization may take the evolutionary based managers are open to radical changes, and innovativeness by avoiding any form of narrow-mindedness.

Further, L. Solari [11] proposes that evolutionary managers must have the following characteristics:

1. Evolutionary managers must be every realistic in their assessment of situations knowing that reality is complex and, therefore, create new schemas and narratives of reality that they can share within the organization. Consequently, they are able to influence others through their ability to create new ways of looking at reality and in doing this they need to be creative and detached from existing models
2. Evolutionary managers must be able to analyse continually the outcome of their actions to know when to use evolution or choose from alternative courses of action.

3. Evolutionary managers are able to recognize that management entails solving complex ethical problems. They are also able to confront ethical issues in a global world where there are different and conflicting ethical orders and without assuming that their own ethical standards are the only legitimate ones.

## VII. ORGANIZATION OF THE FUTURE

As earlier stated, this paper assumes government intervention to protect the domestic market for the effect of globalization. The following two scenarios predicts what will happen in scenario1 for countries with minimal government intervention and scenario 2 for countries with major and deliberate government interventions to protect the domestic economy:

### Scenario 1, for countries with minimal government intervention to protect the domestic economy:

Innovation flexibility and adaptability are criteria fundamental to an organization's survival in a global economy [4]. Technological advancement, shrinking markets, and increasing competition as a result of new emerging economies in a global economy will induce future organizations to innovate constantly and seek increasing ways of achieving flexibility and adaptability. All of these conditions will require organizations to seek new forms of organizing that that are flexible and adaptable and require fewer long-term contracts and commitments. Additional increase in virtual organizations and task automation will mean that organizations will increasingly require fewer employees while at the same time increasing the production capacity of the organizations.

Increase in compliance cost in the face of reducing global prices would lead to the survival of only the most agile organizations while the failure of other companies will mean fewer organizations. No organization would be immune to the forces of globalization. Fewer employees would mean fewer managers, and who manage mainly virtual teams. Organizational hierarchy becomes extinct and since innovation and agility are the most the valued criteria for managers the existing body of management theories becomes irrelevant in solving future management problems. Finally, leaders will emerge naturally in the society.

### Scenario 2, for countries with major and deliberate government interventions to protect the domestic economy:

In the face of increased unemployment and inequality in income, resulting from the effects of globalization, the government of some countries will come out with outright ban or set import barriers to discourage the importation of goods in certain sectors of their economy, to protect the domestic market and industry. Further countries may also deliberately set regulations to discourage labour arbitrage thereby protecting the labour market from the pressures of globalization. These drastic measures by the government of some countries may provoke other governments to take similar actions to protect certain sectors of their own economies. Consequently, national governments will determine the pace and the direction of global trade. Technological advancement, therefore, becomes a tool and not a driver of change in the global market. Both the new and existing models of leadership and forms of organizing will co-exist.

## VIII. CONCLUSION

Finally, one more kind of intelligence a future global leader needs to have is global intelligence (GQ). GQ is the ability to understand the lessons of the past, the requirements of the present and future directions, the ability to understand organizational, country and global trends, issues and interdependencies. A future global leader must have a good understanding of the micro and macro implications of business decisions and must realize leadership has no relevance if there is no followership. Therefore, the pursuit of profit at the expense of followership would eventually lead to the demise of leadership.

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