

## **ASPECTS OF THE MANAGER ACTIVITIES WITHIN THE FUTURE COMPETITIVE ENVIRONMENT**

**GHEORGHE FLORIN BUȘE \***

**ABSTRACT:** *The first decade of this century was unsettled regarding the management concepts and instruments. From the points of view of the total quality projects, product development time, product power, adapting management, behaviors and values, teams, networks and alliances, this incertitude represents a permanent seek of the ways to deal with the significant competitive discontinuities. Although every initiative may contain important elements which go through the essence of things, until now there was no consensus related to the managerial changing nature. The sole conclusion after these studies is that the managerial work will be different in the future.*

*This paper underlines the most important competitive discontinuities and draws a model of the future managerial work.*

**KEY WORDS:** *manager; managerial work change; competitive discontinuities; competitive environment; specialist evolution.*

**JEL CLASSIFICATION:** *M12*

### **1. THE NATURE OF THE COMPETITIVE ENVIRONMENT**

All the activities below have a flow influenced by a series of discontinuities (Verboncu & Zalman, 2005):

- *From commodity to competition.* Everywhere in the world, the pressure for privatization and settlement represents a major discontinuity for activities like public services, communications, air transports, medical system, financial services and education. The managers are forced to deal with new transformations regarding the qualifications, attitudes, management processes and economic models. The stage of mastering the offer level, the prices, profits, investments and technologic evolution models based on secret negotiations between managers and bureaucrats leaves place to

---

\* *Lecturer, Ph.D., University of Petroșani, Romania, [manag\\_bgf@yahoo.com](mailto:manag_bgf@yahoo.com)*

the respect for client and market options. This transformation doesn't mean efficiency in the current game but implies inventing a new game and gaining efficiency there – meaning transformation into something different. The task of traditional company refurbishment in short time complicates the problem. Leaving the past behind and adapting to the present represents a challenge.

- *From local to global.* More and more, the clients, competition and opportunities become global. These global opportunities creates new symmetries for existing companies. The quick asian growth combined with the slow or non-existing western european growth and with the sudden appearance in the United States of the new companies based on knowledge, make geographic asymmetries regarding opportunities arise. As a result, the geographic development of a company resource will modify significantly over the following decade. For example, most occidental and japanese companies will see that more than 50% of their actives and incomes are in Asia. The reconfiguration of the resources on this scale will change the center of gravity for the most multinational traditional companies.

Even businesses considered until now purely local, i.e. cleaning services, will be subject of global competition. Moreover, the globalization will not concern only the big companies with significant investments. I.e. small software companies discover that they can become global even with small incomes. They can sell their goods anywhere in the world and often may reallocate a part of their work developing products anywhere they want. There will be created multinational companies of all sizes, since globalization does not take into consideration too much the business nature or the size of the company.

- *From „like me” to „like others”.* The competitive environment dynamics modifies significantly in most domains. I.e., in the past 20 years, most domains were characterized by a small number of global competitors. The latest big change in the „club of global companies” was in `60s-`70s when the japanese competitors appeared. Nowadays, the competitors from South Korea and Taiwan break in the club and others will follow. Also, the competition is not only between the leaders and challengers, it exists also between the traditional companies and the ones developing. Lets analyze today's picture. In the products industry we can identify four groups of competitors, as in figure 1.

For example, globally, between 1968 and 1988, traditional multinational companies as Philips NV and Matsushita Electrical Industrial Company, competed in the electronics industry, in the domains of TVs, Hi-Fi components or VCRs. They are challenged by companies like Samsung Group and Daewoo Corporation. In fact, Samsung occupies the first three spots in most domains of the electronics industry. In the next decade, the indian and chinese companies will become challengers in these domains. Then, in the new full evolution industry of electronics like computers, PC-TVS, cell phones, printers, the new multinational companies like Nokia Corporation and Acer Group Taiwan, compete with LM Ericsson, NEC Corporation, Philips and Matsushita.

<i>New multinational companies</i>	Nokia (c) Motorola Acer	Samsung (b) Daewo Goldstar
<i>Traditional multinational companies</i>	IBM (d) NEC Ericson	Philips (a) Thomson Matsushita
	<i>New electronic products</i>	<i>Traditional electronic products</i>

**Figure 1. Evolution model for global competition**

Traditional computer companies, like IBM, try to compete for franchises on their own territory. The need to grow and desire to master the evolution of their traditional products, as the transformation of PCs in TVs or electronics, force these companies to get to an unfamiliar battlefield. This battle between leaders and challengers in both old and new domains brings to the field familiar or unfamiliar enemies. Products as TVs or VCRs are unfamiliar to companies like Ericsson or IBM, just like computers are for Philips or Matsushita. Every group benefits by different advantage sources, everyone realizes that this game is not one where you compete with „someone like you” but one where you compete with „others different from you”.

- *From clear domain borders to undetermined borders.* In many domains, the traditional borders become irrelevant. Traditional borders, like specialized products or common products, free time, enjoyment and work, home time and work, communication, entertainment, education and computer operation are no longer valid. The expanding digital technology makes these traditional borders disappear. Lets consider the common personal computer. Is this a specialized product or a common product? Is it used for work or for enjoyment, for education or for entertainment? Even the traditional borders of the domains disappear quickly, the contours of the new domains are not yet defined. For example, the traditional communication companies and software companies compete and cooperate to create businesses which will combine the computer, TV, remote control and communication functions. Due to this combination, the companies will compete both to find the ways to new opportunities and to define new businesses. This competition is complex, forceful and different from the competition for final products or services.

- *From stability to fluctuations.* Considering the unknown things around the domains, the ways which lead to new occasions and to customer expectations, the companies will have to experiment new products and services. These market experiments are characterized by uncertainty. A product might be a big success or a total failure. Lets consider the fluctuations which result for products like office printers

– the problem of raising and lowering the price and the speed of launching new products. The requirements managers have to handle due to the fluctuations in the expansion domains are significantly different from the ones imposed by stable domains, i.e. chainsaw or beverage products.

- *From agents to direct access.* A systematic process might be developed to reduce the number of links between producers and customers. Together with the development of some companies like Quicken for the banking system, Charles Schwab Corporation for brokers, Dell Computer Corporation for internet e-commerce distribution and services, it puts accent on removing the inefficiency and costs which appear in product and service distribution from producer to customer. This tendency will be accelerated together with the internet and World Wide Web. The capacity to connect directly the producers and customers reduces the barriers for new companies and modifies significantly the cost structure and business model for existing companies. Inevitably the business speed and rhythm will change. The logistic management starts to gain a core role within the competition strategy.

- *From vertical integration to specialists.* Henry Ford, George Eastman and Du Pont family were proud of their vertical created empires. In the last decade, the companies gave up their past and reallocated the useless activities. Now they confront with two interesting tendencies. In the first place, the component suppliers are often competitors on the good markets. American Airlines supplies the reservation system used by other airlines they compete with. Toshiba supplies liquid crystal display panels for their competitors from the laptop market. The competitors often trade components and basic sub-systems. The commercial balance between competitors might become an important dimension of the competition as the national commercial balance.

Another tendency is the evolution of specialists from the common products domain, like Intel Corporation. The access to the suppliers of the basic product is essential for anyone who wants to become an important competitor on the final product market. For example, personal computers. The value chain in the personal computer domain is fragmented geographically and legally. The specialists (for example, the ones who supply processors, LCD panels and monitors) and the ones who have the product knowledge are scattered geographically. USA, Japan, Taiwan, Singapore and Malaysia became geographic nodes. Moreover, this geographic fragmentation does not belong to the same company. Every company is a distinct legal entity. As a result the coordination in the domain of personal computers, which includes the product development, logistic, product volume, production timing and price determination must go over geographic borders and a chain of legally independent companies, but dependent strategically.

- *From one to more intellectual patrimonies.* The collision of multiple technologies imposes new requirements for the managers of traditional companies. The integration of the chemical technology in electronics and software (i.e. Eastman Kodak), of the mechanic technology in electronics (i.e. Ford Motor Company) and the pharmacy in fashion (i.e. Revlon) force the managers not only to accept a new intellectual patrimony, but to actively work to integrate it in the traditional activity of the company. Also, traditional companies oriented on professional activities (engineering) become operators on the common product market (i.e. Hewlett-Packard

Company). The need of integration and development of some products or services, like Photo CDs for Kodak, creates a new challenge: managers must learn to adapt to and exploit different rational processes.

We may add easily other radical changes – the fight for standards in most domains, ecologic requests and the competition for funds. The purpose is not to be exhaustive, but to show that changes taking place are not gradual tendencies but discontinuities.

## **2. FUTURE MANAGER WORK**

The manager work is a sequence of decisions or actions done in order to apply the decisions taken by a superior manager, all of them belonging to the functions of the management processes: prediction, organization, coordination, training, control-evaluation. (Simionescu, 2002; Nash & Nash, 2001)

The problems of the managed domain – organization, department, section – multiplied, their complexity and difficulty raised, their impact on the results obtained amplified considerably. These situations, common for companies, strains the managers, no matter of their place in the hierarchy (superior, medium or inferior level). (Görg, 1997; Iacob & Simionescu (Buşe), 2010)

The evolving competition suggests that the requests managers have to handle in the future will be different. Managers will have to admit the fact that they are forced to be able to make their companies ready (Clegg & Birch, 2003) for:

- *Planning and implementing complex strategies.* Today's strategies are focused not only on the market share and profits, but also upon influencing the evolution of industrial standards, of the ways which lead to new opportunities of breaking into the new markets. Strategies are followed individually by the company and in cooperation with the suppliers, customers and competition, regarded as a whole. The strategic thinking needs to include cooperation agreements of any kind. As a result, the available independence degree of any group of managers to act individually is significantly reduced. However, in case they are used cleverly, these relations may increase considerably the resources and influence of the company in the competition battles.

- *Sharing and protecting the intellectual property.* Unlike the traditional production domains, current companies base on invisible actives – competences, patent portfolio, commercial brands, logistics and reputation. Protecting the intellectual property is more difficult than protecting the knowledge already used for physical actives.

- *Managing the public – private interface.* Although privatization and deregulation evolves quickly, the governments may still influence the economy. Moreover, ecologist consumers, human rights activists, investors and employees request higher transparency and responsibility from managers. Current controversy related to human rights violation and improper work conditions offered by corporations from textile and shoes industry from countries like Honduras and China is a proof of higher demands for managers.

- *Offering intellectual and administration management.* In a period with high discontinuities, employees, clients and investors are in desperate need for intellectual

leadership. Managers have to anticipate the future and offer a whole image of it. This might be the signal which motivates and pushes simultaneously the company and the activity domain; they have to prove the needed management to guide the company in case of important changes of professional requirements, attitudes, behaviors and business models.

We may easily figure out that the companies will become global, acting in multiple places of different cultures, imposing multiple qualifications and perspectives. The accommodation with new concepts, technologies and markets will be essential; however, to get here they will need maybe a large variety of cooperation agreements, which is why sharing knowledge and learning from others has to go together with protecting the main qualifications. The speed will be also a main issue in developing the product, obtaining the competence and exploiting the opportunities, but most important, making basic changes in company orientation.

For the next decade, the main manager work, affected by these discontinuities, will be based on:

- *Creating a competitive picture shared by the entire organization.* This scheme will be shared to the employees, actual and potential customers, suppliers, cooperators and investors. The future point of view must be convincing, directional and motivational. As the organization starts to share its competitive picture, the leading managers will afford to share decision taking. The distributed knowledge, as network, needs a mutual node. The leading managers will have to define the general direction but not the direction of every activity. The inferior level managers, closer to the customers and competition, may define appropriate product-market strategies.

- *Focusing on changing the domain dynamics and influencing the company resource efficiency.* The objective is to reconfigure the current domains and to create new ones. For this, the organization will have to focus on gaining and increasing the efficiency of the resources more than proper use of resources (current manager concern). Managers will have to look behind the existing resources from their companies and to exploit creatively the resources from suppliers, partners, competition and clients. They will become multipliers of available resources inside companies.

- *Creating a flexible system which may reconfigure the resources in order to benefit from the upcoming opportunities.* For most companies, the organization becomes an obstacle in front of a quick reaction. The ability to preserve and reallocate quickly the resources represents an essential capacity for the future. This implies quick learning, leaving behind old habits, removing the borders and focusing on becoming market leader.

- *Developing global capacity.* This means that the organization has to think and act as a whole and have access to clients, suppliers and talents from the entire world. The organization has to become a meritocracy where the race and origins should not matter.

### **3. FUTURE MANAGER**

These objectives have low chances to come true if they will not be promoted by the managers of the future. He has to present the following features (Nash & Nash, 2001; Shome & Tondon, 2010):

- *Systemic thinking*. In a period full of discontinuities, the capacity of synthesizing the entire activity and see the connection between parts, to be able to predict the future, will become essential. The future manager must organize the information, combine the analysis and intuition and create a balance between private and public interest.

- *Intercultural competence*. As the companies become a part of the global market and increase their dependency on other cultures (markets, suppliers, employees and investors), the intercultural competence becomes a significant advantage. The managers must pass from their concern about individual competence to those about inter-personal competence and then intercultural. Recognizing the fact that other cultures do not necessarily share the same values and beliefs represents an essential active. Knowing foreign languages, deep understanding of history, religion and art facilitates the development of intercultural competences.

- *Extensive and continuous training*. Knowledge explosion, together with discontinuities and globalization, suggests us that managers need to face permanently new ideas, technologies, business practices and cultures. „The valid time” of the current knowledge has become extremely short. Managers need to find occasions for continuous education.

- *Personal and behavior standards*. No global organization can survive without clear behavior standards. Managers have to create a system which establishes minimum value and behavior standards for the global organization – but, most important, they have to be responsible by accomplishing higher personal professional standards. Professionalism means substantial knowledge of business, performance commitment and responsibility, suitable activity concerns, interpersonal and intercultural sensibility and training others.

The manager of the future will not be only an active person but also a deep thinker. (Vasilescu, 2003)

#### **4. CONCLUSION**

The discontinuities from managers’ activity, presented in the paper, influence every domain of activity in a company.

It will be hard to develop an integrated conception on the manager of the future without taking a consideration the nature of competition discontinuities. They offer a base for identify the new requirements which companies and managers, fighting to survive and to gain income, will have to handle. The future manager tasks come from this understanding.

The new decade will be full of occasions for the ones willing to learn, share and change. Those opposing the change will be left behind and lose the opportunity to create the future.

The evolving competitive environment suggests that the requirements the future managers will have to handle will be various. Therefore, we shortly presented in the paper, the need for managers to create a series of capacities for their companies.

**REFERENCES:**

- [1]. Clegg, B.; Birch, P. (2003) *Arta de a-i conduce pe alții*, Editura Polirom, Iași
- [2]. Görg, B. (1997) *Viitorul managerilor. Managerii viitorului*, Institutul European, Iași
- [3]. Iacob, C.; Simionescu (Bușe), S. (2010) *Necessity and Reality between Information Transparency in Performance SMEs to Track*, Annals of the University of Petrosani - Economics, Vol. X, Part IV
- [4]. Nash, J.C.; Nash, M.M. (2001) *Practical forecasting for managers*, London, Arnold
- [5]. Shome, S.; Tondon, S. (2010) *Balancing Human Development with Economic Growth: A Study of ASEAN 5*, Annals of the University of Petrosani – Economics, Vol. X, Part I
- [6]. Simionescu, A. (coord.) (2002) *Management general*, Editura Dacia, Cluj-Napoca
- [7]. Vasilescu, I. (coord.) (2003) *Eficiența economică și performanța managerială a organizației*, Editura Economică, București
- [8]. Verboncu, I.; Zalman, M. (2005) *Management și performanțe*, Editura Universitară, București