

DEFINING MANAGEMENT FOR THE TWENTY-FIRST CENTURY**Conf. univ. dr. Sorin George Toma**Chair of Commerce, Faculty of Commerce,
Academy of Economic Studies, Bucharest**Abstract**

Globalization has brought a new economy, an economy based on a Digital Revolution. Due to the enormous progress of the information technology, the business environment of the twenty-first century is changing rapidly. That is why this turbulent environment requires a new management of organizations. The management in the third millennium is, above all, a knowledge management.

Keywords

- Management;
- Business environment;
- Globalization;
- Organization;
- Knowledge management.

1. The New Business Environment

In the early years of the third millennium, economies of developed nations were struggling and many businesses fell. The twenty-first century promises to be turbulent ...

In the past, the „old economy” was based on the Industrial Revolutions and on managing manufacturing industries. Now, the so-called „new economy” is based on the Digital Revolution and on the management of information. Globalization is the fundamental driver that underpins this new economy.

As Sklair (2002) suggests, there is only one dominant global system structured around, more and more, „the transnational corporations, a transnational

Rezumat

Globalizarea a condus la apariția unei noi economii, o economie bazată pe o revoluție digitală. Datorită progresului enorm al tehnologiei informaționale, mediul de afaceri al secolului al XXI-lea se schimbă rapid. De aceea, acest mediu turbulent necesită un nou management al organizațiilor. Managementul în mileniul al treilea este, înainte de toate, un management al cunoașterii.

Cuvinte cheie

- Management;
- Mediu de afaceri;
- Globalizare;
- Organizație;
- Managementul cunoașterii.

capitalist class and the culture-ideology of consumerism”. It seems that globalization marks:

- the hegemony of transnational capitalism in general, and the institutional primacy of the transnational corporations, in particular;
- the internationalisation of finance, production and the free movement of capital and workforce around the world;
- the increasing volatility of markets.

As a direct function of the growth of competition in an international free-trade system, globalization has changed the old business environment.

By the end of 1980s, many forces have played a major role in reshaping the

business environment. According to Burke and Cooper (2003), some of the dramatic changes affecting organizations throughout the world are:

- the increased global competition;
- the impact of information technology;
- the re-engineering of business processes;
- the shift from making a product to providing a service;
- the increasing disappearance of the job as a fixed collection of tasks.

In addition, Kotler (2003) highlights:

- digitalization and connectivity;
- disintermediation and reintermediation;
- customization and customerization;
- industry convergence.

In short, the organizations acting in this new business environment are much more exposed to the pressures exerted by the three „C”: change (especially technological), conflict and competition. In this turbulent environment, the greatest challenge facing management of organizations is how to build a sustainable development.

2. Management in the Twenty-First Century

Since the advent of computers and the widespread of information technology, the nature of the organization has changed. Drucker (1999), a forerunner in knowledge management, stressed the growing importance of information and explicit knowledge as an organizational resource. The creation and utilization of knowledge become the fundamental engine of wealth of the modern corporation.

In other words, the modern organization is about knowledge. For this

reason, possessing knowledge is important, but to be truly useful, knowledge must be properly used. Knowledge must become intelligence capital within an organization. Knowledge is valuable, but intelligence capital is powerful.

As a result, management in the twenty-first century is, above all, a knowledge management. Knowledge management could be defined as the process of codifying, collecting, and disseminating the organization's knowledge assets.

Knowledge resources represent a source of competitive advantage for all organizations. According to Gamble and Blackwell (2001) „managing knowledge requires a different perspective to managing land or capital. It is concerned with managing how people reason and how they make their expertise accessible.”

In order to turn knowledge into action, management has to declare its commitment to change based on the kind of learning and innovation that contributes to competitive advantage. Knowledge management is probably 85-90 per cent about people and their ideas. Information technology is just an enabler for the management.

The employees can learn to understand the soft issues around knowledge management and can be taught how to change. They can learn quite quickly, and have to adapt and apply these ideas for themselves.

On the other hand, knowledge management needs to be approached from the perspective of the knowledge consumer. Every employee has to better understand the specific needs of knowledge consumers. In this respect, the organization's management has to ensure that all employees become more educated.

In the Information Age, organizations have to become faster, more focused, more flexible and smarter. Otherwise, the organization's ability to

compete is reduced dramatically. That is why the long-term success is typically based on a combination of learning, innovation and knowledge.

Learning is one of the few competitive advantages available today. A learning organization is an organization that prioritises learning. Also, the learning organization is a creative one.

Knowledge management has never been more important than it is today.

3. Conclusions

Management in the twenty-first century is based on knowledge. People and their ideas are valuable assets for any organization's management. Knowledge management becomes increasingly a source of competitive advantage.

Bibliography

1. Burke R., Cooper C. L. *Leading in Turbulent Times*, Blackwell, Oxford, 2003
2. Drucker P. *Knowledge worker productivity: the biggest challenge*, California Management Review, Winter, 1999
3. Erickson S. G., Rothberg N. H. *From Knowledge to Intelligence. Creating Competitive Advantage in the Next Economy*, Elsevier Butterworth-Heinemann, Oxford, 2005
4. Gamble R. P., Blackwell J. *Knowledge Management. A State of the Art Guide*, Kogan Page, London, 2001
5. Gosling J., Mintzberg H. *The Five Minds of a Manager*, Harvard Business Review, November, 2003
6. Housel J. Th., Nelson K. S. *Knowledge valuation analysis. Applications for organizational intellectual capital*, Journal of Intellectual Capital, vol. 6, no. 4, 2005
7. Kotler Ph. *Marketing Management*, Prentice Hall, Pearson Education, New Jersey, 2003
8. Nonaka I., Takeuchi H. *The knowledge creating company: How Japanese companies create the dynamics of innovation*, Oxford University Press, New York, 1995
9. Singh S. *The New Knowledge Management Imperative*, Supplement to KM World, Nov/Dec, 2005
10. Sklair L. *Globalization. Capitalism and its Alternatives*, Oxford University Press, New York, 2002