

## MANAGEMENT CHALLENGES FOR NEW GENERATION MANAGERS

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### ABSTRACT

Modern organisations are very complicated phenomenon. Rapidly changing environment, change in the quality of workforce employed in the organisation and technological advancements have posed many challenges for the new generation managers. As, the workplace environment gets changed the managers have to be more sensitive and responsive to these changes as to sustain competitive strength of the organisation. In the present paper an attempt has been made to discuss some of the major challenges to be faced by new generation managers especially in the context of downsizing of organisation, work force diversity, improving quality and productivity, encouraging innovativeness and creativity, emphasizing on ethics and social responsibility, information explosion and responding to the need of globalisation.

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### INTRODUCTION

Modern organisations are very complicated phenomenon. Rapidly changing environment, change in the quality of workforce employed in the organisation and technological advancements have posed many challenges for the new generation managers. As, the workplace environment gets changed the managers have to be more sensitive and responsive to these changes as to sustain competitive strength of the organisation.

The concept of globalization of business operations and entry of multinational corporations in business scene has further made the job of manager more challenging and interesting. To survive and grow the modern managers have to keep pace with these changes and challenges and convert these into opportunity. Not only has this, but economic recession of recent past affected management of business operations and quality of life of workforce all over the world. Downsizing of organisation and heavy cost cut posed threat to many organisations. On the basis of these changes one can develop some idea about the shape of things to come and plan tentatively for that.

From the view point of organisation, these changes have serious implications on the internal environment of the organisation and its management. Some of the major challenges to be faced by new generation managers are downsizing of organisation, work force diversity, improving quality and productivity, encouraging innovativeness and creativity, emphasizing on ethics and social responsibility, information explosion and responding to the need of globalisation.

### **Downsizing of Organization**

In the recent past due to economic recession all over the world the level of business operations decreased to bottom. Most of the organisation faced problem to adjust existing workforce with the requirement of organisation. The downsizing of organisation, which implies planned elimination of positions and jobs also encouraged mergers and acquisitions. Such downsizing and cutback in the size of organisation poses serious problem for the managers. They have to manage the effect of such downsizing on the employees in the exit and have to repose confidence among those who continue in organisation. It is in fact very challenging for the managers to decide about who is to leave and 'who is to stay'.

Downsizing of organisation mainly creates problem of imbalance in the sphere of human resource development. It is because on the one hand there is a net loss of human capital and on the other such practice is considered to be short-sighted and unethical. Thus many organisations who consider the employees as valuable human resources adopts several alternative plans to retain them in the organisation. It was witnessed during peak economic recession that new generation managers adopted practices of salary cuts, deferring promotions, withholding benefits, deployment, downgrading, outplacement and voluntary retirements. These practices may cost to organisation but by redefining H.R policies of the organisation the managers can tackle these problems effectively.

### **Workforce Diversity**

Organisations are collective entity of people who make them functional. The organisational effectiveness, among other factors, also depends on how closely the managers understand the behaviour of these people at work and how can they influence their behaviour for making them valuable for organisation. The term diversity refers to differences among people in terms of age, gender, physical abilities and disabilities, minorities and ethnicity etc.

Not only in US and other developed nations, but in our country too, an increasing number of women have also entered the workforce which has drastically changed the environment at workplace. Similarly ethnic composition of work place is also changing particularly in multinational corporations.

More heterogeneous organisations particularly in US which is a nation of immigrants, finding it difficult to accommodate diverse workforce and manage it for realizing organisational objectives. But the successful managers are coping with the problem meticulously and making immigrants and minorities employees more creative and hardworking.

Managing heterogeneous workforce in organisation calls for creating organisational culture that enables all employees including women and minorities and providing congenial environment to them for realizing their full potentials. To make such changes the organisation needs to be more dynamic and flexible so that every one finds a chance to grow and develop. To remain globally competitive, the organisations have to take great care for developing human potentials available to it. For managing workforce diversity the managers have to be creative such culture as to respond to needs of every employee working therein. Difference of value system, life style and cultural background of employees must have been looked into and suitable stimulants must be used to motivate them.

### **Concern for Quality and Productivity**

The quality of product and services has become an important competitive issue for today's business. Though the quality has been major concern for the managers in the past, but after globalisation of business operations, it has become the front issue. To remain competitive in international as well as domestic business the managers are facing challenge of providing a quality product at reasonable price. Quality product means better than average quality at competitive price. Today's managers are required to make systematic continuous improvements in the quality of product as to provide greater satisfaction to the consumers. The emphasis on the quality is more likely to increase in future. It is because more and more organisations are seeking competitive advantages by offering higher quality products. This trend has strong implications for the managers to be cautious and conscious about the quality of product. To realize the objectives of higher quality, many organisations have installed a system of TQM (Total Quality Management). TQM implies creating an organisational culture committed to the continuous improvements of skill, teamwork, processes, product and service quality and customer's satisfaction.

Likewise quality, the productivity occupies a central place in the organisation posing great challenge for the modern managers. To meet the challenge of improving productivity, the modern managers are expected to work smarter, not harder and do more with less.

In the words of F. (Jack) Welch Jr., “For a company and for a nation, productivity is a matter of survival”. To cope with the problem of improving productivity of a organisation, every resource has to be used with least waste. In other words, productivity is commonly known as ratio of output (goods and services) to an input (resources) which is a measure of manager’s efficiency in using resources of organisation to produce goods and services. Surprisingly in the past the U.S managers have been focusing more on capital investment, perhaps as a result of technological advancements for reducing labour cost. In doing so, they could not get benefit of human capital. Thus it seems in the fitness of things that the manager to achieve higher productivity, must find out right mix of capital investment and human investment. In other words, technological aspect of organisational behaviour must be properly balanced with behavioural aspect as to seek higher productivity. Though, technology and its use remains important in organisation, but it alone will not produce desired results in the front of productivity.

### **Innovativeness and Creativity**

Rapid and volatile changes taking place in business environment have resulted in new problems particularly at work place. To get over these problems and go ahead for the rapid growth of the organisation, the managers have to develop new perspective to look into and solve these problems. These problems may be related to any aspect of organisational functioning, may be a product, process, people, technology and environment. The new-age managers are challenged to find out new approach, new way, new model to tackle such problems. In other words, they are expected to be more creative and innovative while applying management knowledge in practice.

The term creativity may be defined as the generation of new ideas which the managers can possibly do by analysing problems from new perspective or angle. And to implement new ideas which may be related to product, process method of production, the managers have to be innovative on their part. In the words of Joseph Schumpeter, innovation is a source of success in the market economy which is reinforced by changing competitive environment. The organisation that is not creative and innovative may not survive. Thus the managers are looking for ways to encourage and foster creativity and innovation at both individual and

organisational level. A study of 14 top U.S and Japanese companies revealed that the Japanese are more consistent in their innovative practices. They plan like demons, execute brilliantly and yet are constantly asking how they can do better. Creative people tend to be more flexible and readily willing to change their approach while solving problems. They prefer complexity to simplicity and they more independent. It is therefore to make employees more creative in the organisation their higher order need of self actualization is to be fulfilled to a reasonable degree.

It remains very challenging for today's and tomorrow's managers to encourage the process of innovation and enable their organisation to use creativity most effectively. The creative process in organisation mainly involves three steps i.e. idea generation, problem solving and idea development and implementation. It is widely accepted that the creativity is best fostered by permissive climate in the organisation. Thus the job of a manager has become more challenging to balance permissive climate with employee's discipline and control, so that creativity move all around with discipline.

### **Ethics and Social Responsibility**

To manage the affairs of organisation, the managers have to make decisions, take actions and implant the course of action. All these managerial activities have ethical and social dimensions. It is because, by these, not only the organisation, but society or the interest of other groups outside organisation may also be affected. It remains very challenging for the managers to ensure that every time his decisions and actions which may be desirable in terms of organisational effectiveness may not be sound and acceptable morally and socially. For example during the period of business decline, the managers may be compelled to downsize the organisation. But this decision may be proved unethical from the view point of society. And as a result of it, the organisation may lose its popularity and next time it may be very difficult to procure committed human force for the organisation. Today's managers are facing the problem of creating ethically and socially healthy environment for the organisation. On the one hand the manager's decisions and actions must be morally acceptable and on the other the managers are also responsible for encouraging ethical conduct within organisation. In this regard it has been rightly printed out by ethics expert that "just being good person and in your own way, having sound personal ethics may not be sufficient to handle the ethical issues that arise in business organisation. Many people who have limited business experience suddenly find themselves making decisions about product quality, advertising pricing, hiring

practices and pollution control. The values they learned from family, church and school may not provide specific guidelines for these complex business decisions. Thus years of experience in a particular industry may be required to know what is acceptable”.

The research conducted in this field reveals that there are two troublesome ethical areas for managers (a) Pressure from above (b) Discomfort with ambiguous situations in which there are no clear-cut ethical guidelines.

Wide acceptance of corporate social responsibility is creating new challenge for the managers. The growing proximity and intensity of the relationship between business and society pressurizes the managers to be socially responsible in terms of their decisions and actions. Thus while making decisions and taking actions the managers are expected to be socially sensitive and responsive.

It is being widely accepted that the business is bound by an ‘iron law of responsibility’. This states that “in the long run, those who do not use power in a way that society considers responsible will tend to lose it”. The term social responsibility may be defined as an obligation to make those decisions, to formulate those policies, and to adopt those course of action which are desirable in terms of social values and objectives. No manager can manage the business without society and no society develops without business organisation. Thus, in the context of social responsibility the manager must understand their role that not only pursuing economic goals but also looking at social implications of these goals. It is therefore social values and norms must be recognized and be given due weightage in managing the organisation. Increasing knowledge and awareness about these social factors on the part of managers help them to understand working behaviour of employees in the organisation.

### **Response to Globalization**

Globalization of business operations has drastically changed external environment of organisations all around the world. The changes taking place due to globalization are forcing the managers to understand cultural differences and adjust their organizations and management style accordingly. The organisations having their business operations in many parts of the world are facing serious threat of global competitiveness. To maintain competitive edge, the managers have to examine economic, political, technological and social factors of various countries, understand the modern history of global business and consider why and how organisations would internationalise.

Broadly speaking globalization refers to a new perspective or attitude about relationship with the people of other nations. In terms of business, it refers to a process of having business operations of one organisation of a particular country in many other countries in the world. The manager who is a citizen of particular country and groomed in that particular national culture has to manage the organisations consisting of people belonging to different national culture. It becomes important for the managers to understand the characteristics which are very common among the people of a particular nation for managing in global economy. Today's managers need to modify organisation practices constantly as to better manage international diversities. Thus in global economy on the one hand managers faces difficulties in managing diverse work force and on the other they have to accommodate organisational interest with the interest of the host country. They face different legal and political economic and cultural systems in the different countries. In order to deal with employees from other countries, the personal bias and prejudice of the manager may come his way making situation more difficult. Howard Permuter and David D. Heenan have identified three primary attitudes adopted by the managers of a global organisation.

'Ethnocentric managers' strongly believes that management practices of the home country are superior to those of other countries and use those practices.

'Polycentric managers' rely on their foreign offices and believe that local managers are most likely to understand their own needs.

'Geocentric managers' recognize similarities and differences between domestic and foreign management policies and attempt to strike a balance between those to find out most effective ones.

It is widely accepted that the new age managers to be more progressive and dynamic for managing global organisation should adopt 'geocentric attitude'. Many authors of management including William G. Ouchi have opinion that Japanese management practices are more effective in managing affairs of the global organisations as compared to American management practices.

- Japanese managers are usually more concerned with long term implications of their decisions and actions.
- They make current sacrifices for future benefits.

- They encourage participation of subordinates in decision making and acknowledge suggestions from them.
- Communication between managers and subordinates is more indirect and subtle.
- They get to know their co-worker as individuals and show concern for their welfare outside the work place.

It is therefore to be learnt by the new generation managers that on the one hand globalization of business operations poses difficult challenges but on the other it offers new opportunities to them. To seek benefit of globalised business operations, they are required to develop 'multicultural organisations' in which diverse work force can contribute effectively to seek organisational objectives and achieve their full potentials as to benefit them as well.

## **CONCLUSION**

What really presents a growing challenge for today's organizations is the improvement of the relative position of the organization in terms of competition, i.e. achieving and maintaining competitive advantage. In the era of globalization, competitive advantage is achieved by organizations that are ready for radical changes and which apply methods and concepts of continuous improvement. Rapidly changing environment, change in the quality of workforce employed in the organisation and technological advancements have posed many challenges for the new generation managers. Facing new challenges and developments, on the basis of the above discussion, it can be concluded that organizations should constantly be active, track changes, to be innovative and dedicated to the promotion of quality in all aspects of operation.

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