



DYNAMISM IN CORPORATE MANAGEMENT

- Understanding and Reporting for the New World

DISORDER

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Since the industrial age, management has gone through various changes with each change reflecting the dynamics of the time and environment Today we can say unequivocally that the old management of the industrial age which was based on capital-driven economics is dying rapidly with the emergence of the new information age In fact the whole social order is being uprooted by the move from a capital-centered past to a knowledge-centered future with all the confusion and complications the next move entails

We can see that the greatest need of the corporate world now is having leaders who can cope with, and manage effectively the rapidly changing business environment and create learning organizations from which a robust environment for creativity and free flow of ideas will emerge

This is also a period of management in transition. Peter Drucker has aptly described it in this way: “Because the knowledge society is one of organizations, its central organ is management. Management alone makes effective all of today's knowledge”.

DYNAMIC CORPORATE MANAGEMENT IN FOCUS

Management as we know it is the specific organ of an enterprise that is especially charged with making resources productive i.e. with the responsibility for organized economic advance. It is in fact an indispensable instrument of a modern business



organization.

People must be held together by a unique shared vision through love and commitment to preserve organizational goals and objectives. The leadership must develop a strategy for the management of the organization, while individuals must be sufficiently involved in setting the objectives through increased participation, involvement and communication.

But then to survive in a world of constant change, massive diversity and intense competitions, leading organizations are dissolving their rigid hierarchies in favour of flexible and horizontal structure to gain quick access to the market and increase their companies' visibility and better respond to the uncertainties of the new world disorder.

Therefore, one of the prerequisites of the present world of escalating complexity and empowered people is for the leader of any organization to cultivate the art of allowing others to share the responsibilities of management. And the price of their support is to relinquish that old comfortable sense of control. This move is important because the new work environment is made up of a large number of better educated, highly skilled and knowledgeable workers who cannot be pushed around or ordered about.

Thus dynamic corporate management requires genuine participation by all in the management process as being the norm. Besides the quality of a company's personnel the competence of its management and the creativity of its leadership are vital for achieving the broad and objectives of the organization and building a sound operational efficiency.

The top management has the responsibility for implementing policies meant for the survival of the organization. They define the goals and objectives of the company and articulate same throughout the company while laying down guidelines for achieving those goals and objectives.

In the new global economy with all the market distortions a combination of good management and resources will lead to outstanding results.

MANAGEMENT ROLES AND TASKS

In contemporary management, the tasks to be performed which may be derived from corporate objectives must be clearly defined and scrupulously analyzed and spelt out in sufficient depth to be understood by individuals. Every task has a unique description to facilitate performance. Management also ensures that the performance of individual managers closely dovetails towards the attainment of those goals without contradiction.



Management also ensures that in the pursuit of objectives, misdirection of effort resulting from either overlapping of functions or differences in the vision and perception of role is eliminated as much as possible so that individuals have proper perception of their functions. The purpose is to prevent the growth of functional empires that don't allow for unity of command in the management structure with all the diversionary tendencies.

MANAGEMENT SKILLS FOR EFFECTIVENESS

In the managerial process, today, the effectiveness of any manager depends on his flexibility and his readiness to cope with change and respond to global trends because of the pace of change taking place world-wide. This calls for innovation and strategic thinking on the side of managers in order to be able to cope with these developments.

In the management of workers, for example, there is no doubt that managing workers effectively strengthens management's authority. It makes management more effective by enabling it focus on task it needs to perform while relieving it of tasks which management needs not perform or does poorly. It stresses the promotion of personal efficiency through the enlistment of the self-interest of the worker. Workers must be empowered and seen as a resource and not an enemy to be intimidated because an empowered workforce is a great asset of any organization.

Then management needs skills in the following areas to succeed in our present turbulent times.

Effective Communication: Here a creative and effective manager needs skills in communication because communication has long been considered a tool of management by objective. Effective communication seeks to remove obstacle to understanding and various studies have shown that more communication is better than less communication.

Another thing is that a leader must develop a listening skill in the present day work environment as well, as providing feedback to workers. No wonder Steven Covey (1992) noted that “Communication is the most important skill in life”.

The ability to communicate well with diverse people through listening, discussion and writing is absolutely necessary for success as a manager, particularly in our information driven society.

Managing Individual Decisions: Effective Management is characterized by the willingness and ability to make prompt and wise decisions. While every decision involves an element of risk, the way business is conducted today in a situation of



disorder imposes on the executive the need to be quick — witted and sharp in decision-making. It requires people who have self-confidence in themselves and their conduct and are courageous.

Relationship Management: This is required to establish viable relationship with, and influence, complex networks of others within the organization and in the global arena whose co-operation is vital for the organization's success. Managing relationship well is crucial in all its ramifications.

Delegation and Empowerment: Empowerment and delegation aim at separating the manager from the doer. Empowering others helps to accomplish exceptional organizational goals and objectives. Empowerment is both enabling and ennobling and organizations are more effective when an empowered workforce exists.

Possessing Emotional Intelligence: The ability to manage one's self and relationships consists of four fundamental capabilities namely self-awareness, self-management, social awareness and social skills. Each of these capabilities consists of specific competencies which underlie any leadership style which a competent manager should possess.

Some of these competencies such as emotional-self-awareness, self-confidence and self control, adaptability, initiative, empathy, visionary leadership, influence, team building and collaboration are needed to foster close understanding and drive at the place of work.

Finally proactive performance skill in a chaotic world as against being reactive to situations. This will involve:

- An obsession with responsiveness to customers
- Constant innovation in all areas of the firm
- Participation and building a strong team for success
- Change leadership that shares and instills an inspiring vision, and
- Flexibility through empowered people, high involvement and minimum hierarchy and increased rewards based on new performance parameters.

Other skills include command of information system and technology and fluency in some key languages.

Therefore, in a situation of dynamic corporate management, we are gunning for a situation where managers are effective, resilient, make prompt and valid decisions based on unshakeable facts and take decisive actions to deal with situation in their operating environments including global markets without compromising business ethics, corporate culture or values.



Management should also exercise self-control and discipline in controlling performance and should have the ability to manage conflict and grievance in an organization and achieve positive results through a strategic and constructive leadership. And as part of operational efficiency and because tactics are critical, managers must strive to comply with global best practices in all facets of the management process and adopt global outlook because information technology has increased global competition and global challenges.

UNDERSTANDING AND REPOSITIONING FOR THE NEW WORLD DISORDER

Disorder can be regarded 'as turbulence, non-linear irregular and erratic. It is a time of great uncertainty. But a time of disorder is- also one of great opportunity for those who can appreciate, accept and exploit the new realities. It is above all a time of opportunity for leadership to manage for change. Why? Because leaders can increase their companies' visibility and better respond to the uncertainties of the new world disorder by actually re-engineering and repositioning their operations.

THE NEW GLOBAL SHIFTS

Looking at the international business horizon, there are great elements of change and discontinuities that are driving these momentous shifts and cataclysm. The shift from local to international market place is irreversible is gaining momentum. No one can lose sight of globalization and information and communications technology because national barriers are quickly tumbling down and opportunities for trade far exceed what could have been imagined twenty years ago.

Global financing is also changing the landscape. Financial markets are opening up rapidly and everyone is increasingly connected to everyone else. Today nothing is predictable. Consumers are on the move while high technology input into business and manufacture is on the increase.

INTERDEPENDENCE HAS COME TO STAY

Whatever the future holds, on thing is certain interdependence between countries will only continue to increase due to globalization. The present convulsions in the world capital markets and economic dislocations are visible signs of instability being carried from one country to another due to ripple effects which has put paid to protectionism and any form of immunity in global transactions.

We must also not that the changing political climate is overturning the conventional business wisdom in marketing and market entry.



The need to adapt any product to the whims and caprices of the consumer base in the host country so as to reap the benefits of a new and expanding market is becoming evident in China and India more particularly. Political disruption can, for example, slow down growth and reverse trends towards more open market.

Generally an environment which is turbulent and unstable introduces a lot of variables and challenges from time to time. Management of such challenges can be problematic. No doubt today's business leadership will be defined by the ability to overcome challenges and proactively deliver value to a diverse clientele. Therefore, the task of the leader will be get this people from where they are to where they have not been.

In order to get a closer understanding of the totality of risks and opportunities and the links between them, managers required discipline, innovation and ability to manage resource shifts particularly in sunrise industries. Without discipline managers react to events and issues as they happen, ignoring their broader context and therefore completely misreading their significance. This often results in a highly volatile and short term approach to investment decisions more particularly in developing economies.

REPOSITIONING FOR THE NEW WORLD DISORDER

In coming to grips with the new world disorder a business leader must first develop critical appraisal of the geopolitical outlook for the company's future strategic horizon. When it comes into investing in today's unstable market environment companies' tactical choices about market entry and management matter a great deal more than they did in the 1990's. They mattered less then because the environment was more predictable and stable both politically and economically. That is why the financial crisis and the collapses of stock markets in the countries of the Asian Tigers did not spread beyond that region in the 1990s.

Another thing is that since globalization has come to stay, business leaders need to take more risks - or risk being left behind. Like India, Nigeria can represent one of the best opportunities in. the world disorder if we can deal with issues of power shortage, chronic corruption, strengthen our operational base, create a conducive business environment and create a new mindset for entrepreneurialism since we hope to become one of the twenty biggest economies by 2020.

MANAGING CHANGE

Therefore as part of overall plan for repositioning for the disorder, leaders of companies must be prepared to manage changes. Information technology induces



organizational and management changes. Changes in business environment and technology induce organizations to change their modus operandi. It has long been recognized that there are strong inter-relationships among the environment, technology, organizational structure, people in the organization, organizational strategy and management process.

Therefore, change in one company for example, can impact on other companies creating more business pressure that could lead to one of many developments. Managing change is crucial for corporate repositioning today.

GO FOR LEAN BUT STRONG ENTERPRISE

Another important consideration is that in times of disorder the enterprise has to be kept lean and strong, capable of absorbing shocks and strains but is capable of moving fast and availing itself of any available opportunity. Here downsizing is inevitable.

This is what Peter Drucker has euphemistically referred to as “Feed the opportunities and starve the problems”. He believes that resources can be productive only if they are concentrated; resource fragmentation inhibits results.

AVOID MARGINAL BUSINESS

Operating a marginal business in terms of disorder is certainly not welcome because it becomes weaker day-by-day with every turn of the business cycle. It is also because a business needs to be strong to be able to ride the storm of sudden hard blows so as to avail itself of sudden and unexpected opportunities.

KNOW THE OPTIMUM SIZE OF THE BUSINESS

Management must determine the optimum economic size of operation. In times like this the optimum size of operation may go in different directions. However, achieving optimum size will require a lot of understanding of the operating environment.

Any business must know its strengths and base its strategies on them. But we must also know whether those strengths are the right strengths that fit the opportunities, of tomorrow. It is reasonable to suggest that the giants of tomorrow's business may be companies that either do not exist now or are so insignificant to be noticed today.

BE A MARKET LEADER

A company should strive to be a market leader or a controller of strategic market niche. In business we must have a core of unity in market (product) or technology otherwise we should not expect superior performance or results in the future. Therefore, as Tom Peters noted in his book “Thriving in Chaos”, “if you are not reconfiguring your organization to become a fast-changing, high- value-adding creator of a niche market, then you are simply out of step”.



BUILDING CORPORATE CAPACITY FOR INNOVATION

Considering the complexity of forces operating in the environment and strategies adopted by organizations to stimulate growth and build a strong base, then management of innovation becomes crucial.

Innovation is the process or vehicle by which new products and processes enter into the market, and this requires large doses of intellectual capital particularly during turbulent times. It is what commits the outside to the inside. It provides the ability to face uncertainty and assess risk.

Building corporate capacity for innovation is a staggering task and can be really challenging for older companies trying to break the cycle of relegation and leap into the future or new companies that are learning to fly in a highly competitive but unstable environment. Innovation provides and strengthens the tool for competition in the market.

FINANCIAL SERVICES SECTOR

Repositioning for survival in the financial services sector can be more challenging because of the speed that an apparent financial virus can be spread to other countries and the failure of many measures no matter how substantial to put things right.

Thus the U.S.A. government's bail-out option of \$700 billion has not prevented banks and mortgage institutions from going down in increasing numbers.

In the stock markets, share prices are tumbling despite desperate efforts to stem them. And most European countries notably, France, Germany, Britain and others are making frantic efforts to save their economies from the threatening financial convulsions. It will take sometime for one to be able to appraise the success or failure of any rescue effort so far.

In Nigeria, despite the assurance by the Central Bank Governor that our reserves are safe, the banks are healthy and investment in shares not threatened, we must not lose sight of the fact that the total capitalization of the Nigerian Stock Exchange has crashed from N16.9 trillion in August to N7.8 trillion today. Even the purported buy-back option by some banks to throw in N640 billion to stem the tide may fizzle out unless the global signals are properly analyzed and appropriate measures taken that fit the situation.

CONCLUSION



Having a competent and dynamic management in times of disorder is one way to ensure that today's decisions will bear fruit tomorrow and that the business can survive. Management skills must meet international standards in terms of performance and achieving corporate goals if we are to avert the pitfalls that characterize business cycles.

Today the secret of success in the corporate world is learning, innovation and refusal to compromise standards and corporate values. Thus as Steven Covey noted: "Management is efficiency in climbing the ladder of success. Leadership determines whether the ladder is leaning against the right side of the wall". Certainly there is no more no more appropriate time than this period of uncertainty for any leadership to prove itself.

Thank you.