

TRAINING THE 21ST CENTURY MANAGERS

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In the last few decades the modern capitalism has been affected by radical changes that have undermined the traditional way of doing business. The Information and Communication Technology (ICT) revolution together with the evolution of the transportation system and the financial market liberalization on a global scale have greatly affected the world economy, incentivizing new production and consumption models and redefining the economic exchanges around the world.

In the Cyberspace era, the physical distances between economic agents have been considerably reduced and the competition arena has dramatically increased in scale. Local economies are more bounded to international markets than ever and there are almost no economics sectors immunes to global competition. Traditional as well as innovative industries need to face the competitive pressure coming from emerging economies whose comparative advantages (mainly cheap labor) are unreachable for western countries and their companies. Besides, market globalization has affected not only the supply but also the demand of goods and services. Consumption models have changed and customers have become increasingly demanding in terms of quality, design, creativity and originality.

Within this new scenario high quality and innovation become the key factors for succeeding in local as well as international markets. Investing in product and process innovation allows companies to rapidly react to the evolution of consumption needs, to improve the quality of their goods and services, to anticipate competitors moves on the market and, quite often, to create new demands. In a global economy open to continuous changes, those enterprises which are not able to offer original ideas, to look for new opportunities, to detect new market trends and to keep pace with technological evolution are bound to fail and disappear in the medium run, being fagocitated by more dynamic and flexible companies.

Innovation does not exclusively mean investing in new technologies. It also implies fostering the intellectual capital of the company which is made of intangible assets such as the ideas, knowledge, experience, imagination and creativeness of the people working in the organization. With the introduction of the Internet and the ITC we have actually entered in a new economic paradigm based on information and knowledge.

The web has widened the access to information, reducing consistently its duplication and propagation costs. Thanks to the Internet, customers have a powerful tool for comparing products or services, becoming more conscious at the moment of their choice. At the same time, manufacturers and service companies have the chance to reach their clients everywhere and to observe more directly their behavior as well as the attitude of their competitors. Rapid access to information contributes to reducing transaction costs and, to some extent, incentivates the economic exchanges. Nevertheless, the flow of information alone does not produce real value for a company unless it is transformed into knowledge.

Knowledge, together with creativity, represents the real catalyst for innovation. Imagination and inventiveness cannot be translated into new products or services for the market without knowledge, in the same way as knowledge can't lead to innovation without a sparkle of creativity. The role of knowledge is essential not only to provide new and more efficient solutions to the market requests but also to identify and create new needs. As Professor Rullani clearly explains, the creation of value in the current economy depends on originating new possibilities and generating new forms and values which are not really needed but are the result of imagination, communication and a sharing vision (interview with Enzo Rullani, *L' economia della conoscenza*, published by www.scarichiamoli.org).

The enterprise of the 21st century appears as a real **“hub”** which accumulates, elaborates and validates knowledge that has been created inside as well as outside the company itself (by academic institutions and research centers, suppliers, customers, competitors, etc). These companies prove to be very flexible and dynamic organizations where horizontal relationships are growingly replacing the more traditional vertical structures. Within these companies there are no rigid hierarchical roles and people are keener to share their ideas, experience, knowledge and creativity in order to become more competitive in the global market. The role of the people is defined by their activities rather than by the organization chart.

Managing innovative companies requires skills and competencies that, to some extent, differ from those required by more traditional enterprises. The manager of the 21st century company is a decision maker, somebody who is capable of leading a process of change, an open minded person able to anticipate the future scenarios of his/her company, to adopt a middle-long term vision, to capture new trends, to explore and identify new market opportunities. He/she is a leader and, at the same time, a part of a team in which roles and responsibilities are equally shared. The new manager needs to be able of administrating the intangible assets, incentivating creativity within the organization and stimulating the **“entrepreneurial”** attitude of his/her colleagues. Above all, this type of executive has to know how to capitalize the information and knowledge accumulated within and outside his/her company. The manager of innovative enterprises needs to open up to the external world, joining extended networks to connect with other private and public company's leaders, as well as, researchers, scientific and academics experts, gurus and other **“knowledge”** producers and users.

Training this leader profile represents, in our view, a new challenge for traditional Management and Business Schools since it implies offering a wide and complex range of activities. A solid theoretical framework should be integrated with a very practical approach, focused on action learning and interactive methodologies based on experience exchanges. Training programs should encourage creativeness, networking and a proactive attitude towards change and innovation. Formal activities, such as classes, seminars and conferences, should be provided along with more informal sessions (knowledge café, lightening talks, unconferences, and so on) and virtual activities (social networks). Short term rather than long term programs should be provided and, regardless to its contents, the training offer should allow students **“to update”** their knowledge.

Many Management and Business School have already shifted towards a more empirical approach, including in their offer many practical activities (case studies, exchange visits, etc) but probably more has still to be done to encourage a creative and innovative approach to business.

There are no comments yet.