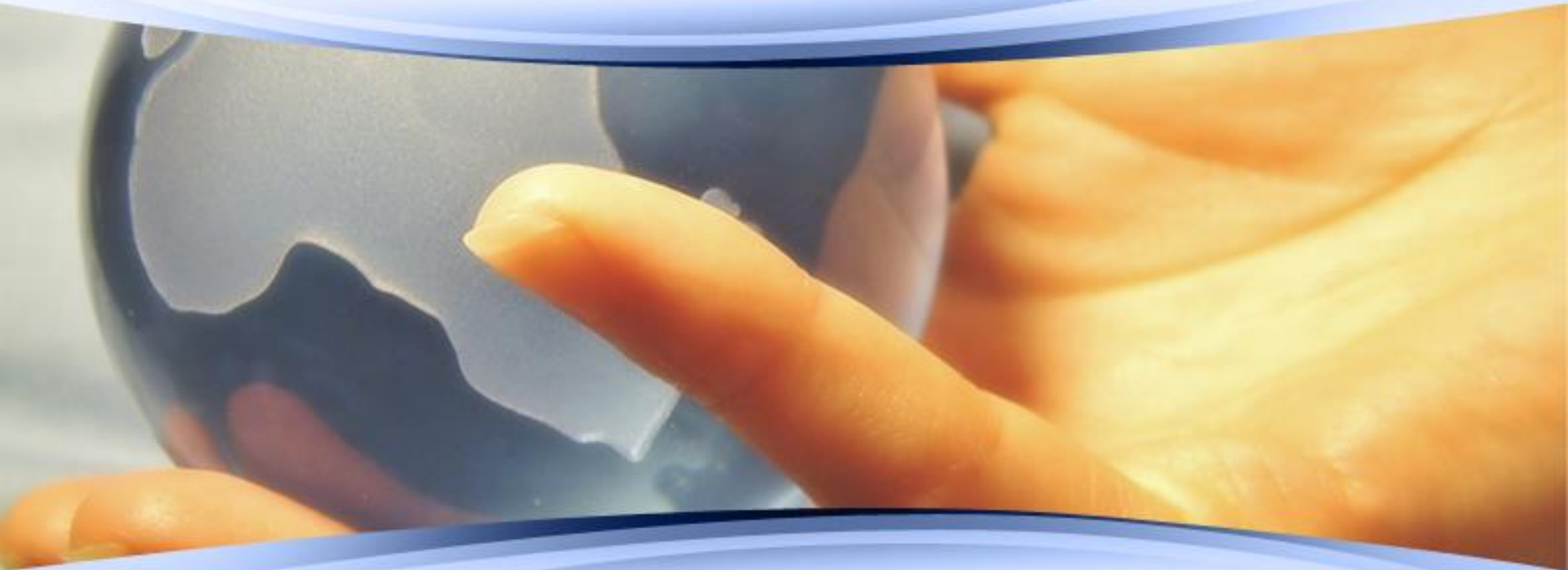


# MANAGEMENT IN THE 21<sup>ST</sup> CENTURY

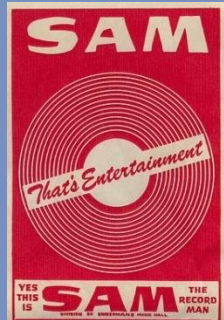
## The Changing Economy



# GONE BUT NOT FORGOTTEN...



CONVERSE®



- Organizations resistant to change and bound by tradition are increasingly fading
- One of the biggest problems in managing an organization today is failing to adapt to the changing world

# A RAPIDLY CHANGING WORLD



NO ONE HAD...



... 35 YEARS AGO



# A RAPIDLY CHANGING WORLD



**The Silicon Chip**

- Advances in technology have permanently altered global economics and the people work
- Technology is changing the way information is created, stored, used, and shared

# THREE WAVES OF CIVILIZATION



- Futurist Alvin Toffler studied the changes technology has had on society and predicted some of its implications on social change
- He has classified three periods of social history and argues that modern civilization has evolved over three “waves”
- Each wave brought a new way of doing things; some groups of people gained from the new way, others lost

# THE AGRICULTURAL AGE

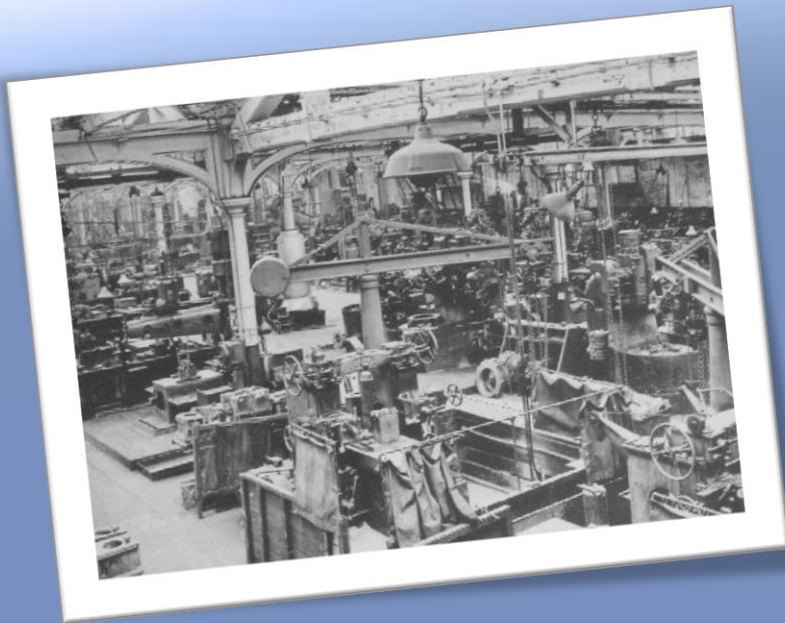


- Until the 19<sup>th</sup> Century all economies were agrarian – driven by agriculture
- Professional managers were not needed because most people worked for themselves
- Since the 1890s the proportion of the population engaged in farming has dropped considerably – now less than 5% of the global workforce is needed to provide our food





# THE INDUSTRIAL AGE



- Late 1800s until the 1960s
- Most developed nations moved from agricultural societies to being industrial societies
- Changes in technology, communication, and transportation made the Industrial Revolution possible
- Farmers left their fields to work in formal, tightly structured, organizations – skilled labour not needed

# THE INDUSTRIAL AGE



- Mass production, specialized jobs, and authority relationships became the mode of operation – birth of managers
- Saw the birth blue collar industrial workers – people paid to perform routine work requiring physical stamina
- Advances in manufacturing processes allowed new products such as steel, rubber, and automobiles to be created
- The growing use of steam power and coal permitted more and more factories to operate



# THE INDUSTRIAL AGE



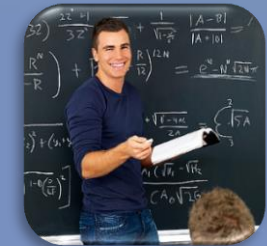
- By the 1950s, industrial workers was the largest class of people in developed nations
- No class of people has ever risen faster – or fallen faster
- Since WWII there has been a shift from manufacturing work to service jobs
- Today, 80% of jobs in Canada and the USA are in the service sector

# THE INFORMATION AGE



- Since the 1970s technological advancements have been eliminating many low-skilled, blue-collar jobs
- The information wave transformed society from a manufacturing focus to one of service and knowledge
- People are moving from manufacturing work to technical, clerical, and professional – white collar jobs
- These people are known as knowledge workers

# KNOWLEDGE WORKERS



- Include professionals such as nurses, accountants, teachers, lawyers, engineers, technologists, software designers, computer programmers, etc.
- People's jobs are designed around the acquisition and application of information
- A low supply of knowledge workers are in high demand – make up about 1/3 of current workforce
- Not easy for blue collar workers to transition to the changing economy due to a lack of education and flexibility



# MANAGING CHANGE



- As the waves influenced society, so too have they affected how we do business
- New organizational issues stem from:
  1. International Markets
  2. Technological Improvements
  3. Changes in Workforce Composition

# OLD VERSUS NEW



Old Economy	New Economy
<u>National borders</u> limit competition	<u>National borders</u> nearly meaningless in defining operating boundaries
Technology limits access to <u>information</u>	Technology changes have made <u>information</u> accessible
<u>Job opportunities</u> are for blue-collar industrial workers	<u>Job opportunities</u> are for knowledge workers

# OLD VERSUS NEW



Old Economy	New Economy
<u>Population</u> is relatively homogeneous (the same)	<u>Population</u> is characterized by cultural diversity
Business is separate from its <u>environment</u>	Business accepts its <u>social responsibilities</u>
<u>Economy</u> is driven by large corporations	<u>Economy</u> is driven by small entrepreneurial firms
<u>Customers</u> get what business chooses to give them	<u>Customer needs</u> drive business