



## MANAGEMENT destined to change

### CONTEXT

The world is changing, and has been for quite some time. The arrival of the information technology has caused an explosion of the information produced. This surge in available information and knowledge combined with new technology is continually transforming society at an accelerating rate, affecting not only our everyday life but also our core values and culture.

The film discusses the need for a radical rethinking of the concepts of management in this dynamic setting. Is Management changing accordingly? The basic principles of Taylor, Weber and Fayol still remain the foundation of modern management, principles that were created a century ago.

The notion that management simply is a way of making the organization more efficient might not be true anymore. The time it takes for new technology and ways of doing things to become obsolete is ever decreasing, making it hard for the organization to keep up with the change using traditional management. The question is how to apply management in such a way that the process of change is incorporated into the organization, continually improving through innovation. Management needs to respond to this change by being creative as well as developing operative innovations. This is the target of our managerial arrow.

### OUR VIEW OF MANAGEMENT IN THE FUTURE

Now which are the fletchers guiding our arrow? What are the key challenges that management needs to tackle in our rapidly changing world? We have identified the following three as the most essential:

Predict and Distinguish Change

Continuous Process of Renewal

Performing Management Up-to-date

Predicting and distinguishing changes is evidently crucial in order to be able to respond to them. Though it may sound basal it is something organizations are seldom good at. How many people spotted the IT-bubble or the present financial crisis before it was too late? A very small percentage of individuals and organizations can lay claim to this.

Predicting changes will require more from leaders than the traditional MBA approach. You will need to be open-minded whilst performing scenario analyses to better predict potential future opportunities and threats, adhere to customer demands and obtain an enhanced awareness of not just your immediate surroundings but also of what is going on in society in general. Spotting change will become of the utmost importance in our volatile world, and management research should focus on this issue in the future.

A continuous renewal-process of the organization and the Druckerian "theory of the business" is imperative in the constantly changing business environment of today. The view of the organization should never be as something completed and absolute but as something that is continuously transforming. The goal of management should be to reinvent itself as often as possible, without affecting the efficiency of the organization, through both operational and organizational innovation. Promoting creativity in the managerial process ensures constant innovation and hence a continuous renewal-process.

Performing Management Up-to-date is the third challenge of facing a changing world. Utilizing and inventing managerial tools that resonates with the current environment of the organization is vital to ensuring successful management. Innovation needs to imbue the organizations as a whole, not just from a product point of view but also in a more structural sense. Flat organizations can be helpful in encouraging the diffusion of innovative ideas up and down the hierarchical ladder.

Performing management Up-to-date can be viewed as a function of the two previous challenges. Without proper identification of the variables of change and the usage of that knowledge in a continuous renewal process defining and implementing up to date management becomes impossible.

As Castells predicted, the society is growing rapidly in its informational complexity, creating extensive so called virtual networks. These networks allow a continuous flow of information to spread throughout the world, enabling knowledge from different areas of study to combine and diffuse into new ideas, innovations. The contact points of these virtual networks are ever increasing with new technology, causing a rising rate of knowledge diffusions. The challenge for management is to harness this enormous flow of information and ideas to create innovation. We need to perform management that utilizes this extensive network and its potential for a creative explosion. Using the virtual networks to create an innovative organization will not be something that happens by itself, it will require effort. Flatter organizations can be helpful in achieving this, since they provide a shorter path for the creative diffusions to travel. The organization should strive to embrace information flows in all directions, creating as many points of contact with the flow of potential innovations as possible. Having access to this information ensures good predicting of change and creates a flourishing creative environment, ensuring that you perform management up to date. Becoming one with the endless flows of information in Castells networks will be vital in becoming successful in the future. Blocking the flows and isolating will be a sure way of being left behind.

Our image of the future of management in an uncertain and volatile world is one of flexibility and adaptability. Ensuring these characteristics requires less of the traditional efficiency approach to management and more innovative management. We feel that managerial tools to promote creativity, both organizational and operational, are essential in achieving this and should be prioritized in future research.

Nevertheless, creativity demands knowledge to be relevant, and we also need to crystallize the organizations need for managerial response to the identified change to be truly innovative in our management.

We believe that facing the challenges described herein will propel the managerial arrow straight into the center of the target, the innovative management of the future.

### THE REASONS FOR CREATING THIS FILM

It is imperative that we apply management principles that are up to date and have roots in the reality. Management does not have timeless principles like physics or mathematics. It is merely a way of using the resources and characteristics of the environment in the way that suits the organization best. Hence, management practices a century old cannot be perfect, especially not in this rapidly changing world.

The film sheds light on the need for rethinking parts of the management subject. To justify its existence as an area of research and application, management needs to focus less on the classical operational efficiency and more on the issues described in the film. We think that watching this film will give people a fresh view of management as a research area as well as a way of making your business function better in the dynamic and transforming society of today. The film is not thought to be a bible to be followed rigorously by managers but rather a tool and conceptual framework for viewing change from a management perspective. We think that watching this film will give you a better understanding of the role of creativeness and innovation in updating management for the 21th century as well as centuries to come. Students, managers and academics alike, we hope you will find Management, Destined to Change useful in defining the management of the future.

### The Wizards and Witches of the Management Cauldron

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