

# 21st Century Organizational Trends

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There are five key organizational trends that you should be aware of.

## Globalization

- Increasingly globalized sales, manufacturing, research, management
- Movement from direct exports to having sales offices in different countries to having manufacturing to all functions spread across the globe
- Increasingly globalized labor market
- Due to:
  - reduced cost and improved quality of international transportation and communication
  - search for unsaturated markets
  - exploit regional cost and expertise differences

## Diversity

- Workforce getting more heterogeneous sexually, racially, culturally, individually, etc.
- Source of both innovation and conflict/communication problems
- Need to cope with different styles of interaction, dress, presentation, physical appearance
- Due to:
  - changing demographics
  - globalization of the labor market

## Flexible

- Organizational systems and processes and people that can respond differently to different situations
- Fewer detailed rules and procedures
- Greater autonomy, encouragement for initiative
- Customizable employment relationships: telecommuting, job sharing, mommy tracks, pay for skills
- Lifetime employability, not lifetime employment
- Due to:

- differentiated customer needs -- filling them exactly is source of competitive advantage
- increasing diversity in workplace
- increased pace of change in technology and markets

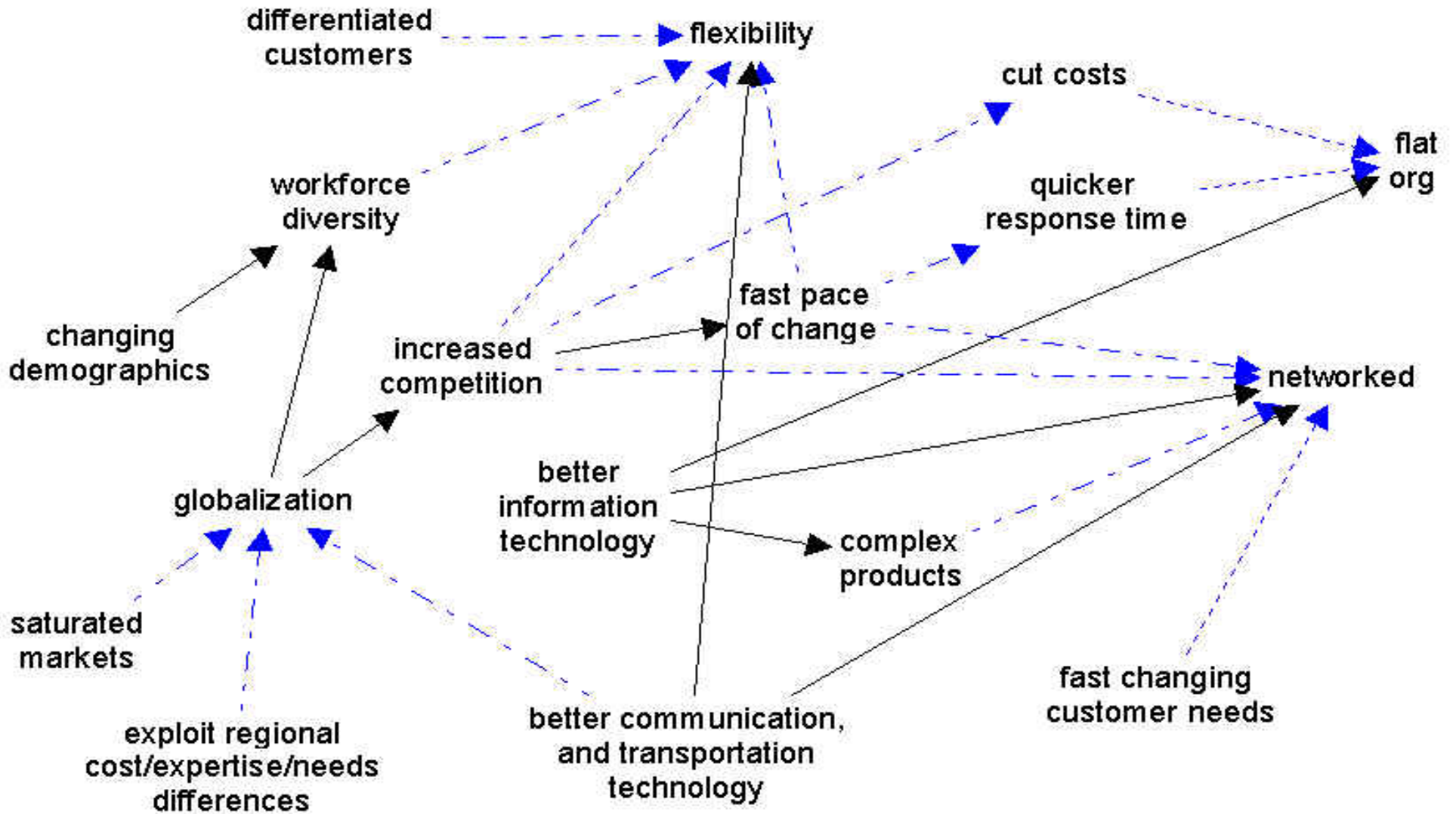
## Flat

- Fewer levels of management,
- Workers empowered to make decisions
- Fewer differences in responsibility (not in pay) across levels
- Due to:
  - need for speed, which makes it helpful to empower employees to make decisions, which means fewer managers are needed
  - changes in information technology mean less need for the communication and control functions of middle managers
  - globalization means intensified competition, which increases the need to cut costs

## Networked

- Direct communication across unit & firm boundaries, ignoring chain of command
  - Cross-unit team structures
  - Outsourcing & downsizing
  - Strategic alliances with competitors and others
    - Now have firms that are your competitors, customers and collaborators all at the same time
  - Close coordination among firms (e.g., JIT systems) and information sharing (open computer systems)
  - Across the board contact with customers, not just official boundary spanners
  - Customization
  - Decentralization
  - Due to:
    - new information technologies, especially groupware, client-server, distributed computing
    - fast changing customer needs and competitor offerings
    - more complicated products require better integration of manufacturing, design, and marketing functions
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Here is a diagram linking up all the concepts above.



The dashed arrows with blue heads mean "creates the need for", while the solid arrows with black heads mean "causes" or "enables".