International Journal of Economics, Commerce and Management
United Kingdom ISSN 2348 0386 Vol. X, Issue 11, Nov 2022

http://ijecm.co.uk/

DETERMINANTS OF CHANGE IN MANAGEMENT THEORY IN THE 21ST CENTURY

Chimwani, Pamela Muhenje
Kabarak University, Kenya
contentiq254@gmail.com

Abstract

This paper examines the determinants of change in management theory in the 21st century. Management theory is embedded in a philosophy, which comprises a study of the general problem relating to existence, mind, reason, values and knowledge. Attention is given to two spheres of the philosophy of management: the ontological and epistemological evolution of management theory. The ontology aspect deals with the nature of organizational phenomena, their grouping options and relationships within a hierarchy and how they can be subdivided based on similarities and differences; whilst the epistemological aspect deals with the nature of knowledge about organizations. Six interdependent drivers of management theory change are discernible from extant literature: globalization, technological change, customer sophistication, deregulation of markets and industry, pressure for business ethics/governance and cultural diversity. Globalization is driven largely by technology and customer sophistication, while the rapid advancement in technology is due to globalization and the explosion of knowledge and ideas. Whilst deregulation of markets and industry calls for responsible corporate governance in the face of reduced government control; with globalization, cultural diversity of the workforce is making the work experience rich and diverse.

Keywords: Globalization, Technological Change, Customer Sophistication, Deregulation of Markets and Industry, Pressure for Business Ethics, Governance, Cultural Diversity

INTRODUCTION

Modern Management Theory

Contributions into the management field have come from a plethora of scholars and practitioners from various disciplines ranging from economics, psychology, sociology, mathematics and science. The result has been a context described by (Koontz, 1961, 1980; Koontz & H., 2007) as a management theory jungle. Each group of scholars and practitioners has interpreted and reformulated from its own perspective, what management is and emergent from this has been differing assumptions, research techniques, conceptual frameworks and technical jargon (Cassidy & Kreitner, 2012).

Attempts to transform theory into practice and vice versa, brings in new ideas resulting in the continuous evolution of management theory. Out of this, is an evolution of management thought that springs from the shop floor, to the factory and to modern complex organizations with paradigm shifts marked by challenges to methods and viewpoints of managers in each era of the evolution (Cassidy & Kreitner, 2012; dos Santos et al., 2002).

Management theory is embedded in a philosophy, which comprises a study of the general problem relating to existence, mind, reason, values and knowledge. Attention is given to two spheres of the philosophy of management: the ontological and epistemological evolution of management theory. The ontology aspect deals with the nature of organizational phenomena, their grouping options and relationships within a hierarchy and how they can be subdivided based on similarities and differences; whilst the epistemological aspect deals with the nature of knowledge about organizations.

Organizations come into existence when commonly understood goals are identified by a social unit of people for a particular purpose with consciously coordinated activities of two or more persons. They are socially constructed realities without material form; as artificial creations organizations are labeled and named based on their convenience for making sense of the external world. As social concepts, the definition of organizations, their components and roles, is dependent upon collectively accepted descriptions by a community. They are dependent on specific activities being carried out by certain humans which bring about their transformation (Boella & van der Torre, 2006; Fleetwood, 2005). Boella and van der Torre (2006) surmise that organizations are modelled as collections of agents, gathered in groups, playing roles or regulated by organizational rules. They have a personality and identity of their own and thus are agentive entities that act in a very peculiar way, namely through the actions of some agents who, by virtue of the roles they play, are delegated to act on their behalf (Bottazzi & Ferrario, 2005).

Organizations as entities, typically, are always undergoing evolution and change (Fleetwood, 2005) mainly due to societal pressures. From the guild-based system of the pre-industrial era in which the domestic system of production was informally organized around families specialized in a certain craft - for instance, weavers, smiths, shoemakers and so forth; to the large, formal organizations of the Industrial era able to carry out large-scale production of more varied goods cheaper and faster. Earlier firms had been run by their owners and foremen, but expansion of firms into large diverse operations necessitated the need for professional managers who worked for salaries. The need for bureaucratization thus arose with many layers of authority and complex division of labour in the large organizations. Organizational structures have remained hierarchical for the most part of the twentieth century, with the prevalent atmosphere being paternalistic (Gupta, 2000). In today's rapidly changing techno-socioeconomic environment, the structure of organizations is being reconstituted necessitated by the need for faster decision making in an erratic global environment (Jamali, 2005).

Conversely, according to Nodoushani (2000), epistemology or theory of knowledge is concerned with the nature and scope of knowledge, its presuppositions, basis and general reliability of claims to knowledge. In the epistemological evolution of management theory, the postulation is that positivism has been the dominant ideological construct with research methodologies relying on systematic and rigorous scientific techniques that make provision for generalization, replicability and explanation of behavior, not meaning (Nodoushani, 2000). Management research has been characterized by the application of the scientific method to organizational problems thereby producing knowledge about the social phenomena comparable to the natural sciences. The mode of knowledge production in the twenty-first century is transdisciplinarity (Raut & Veer, 2014) from positivist epistemology to a pragmatic/ critical realism that integrates the rigour of the scientific method and the richness of individual subjective experience and interpretation of the social world. Incorporation of qualitative research methodologies such as interviews, focus groups and action research enable construction of meanings and contextual understanding (Nodoushani, 2000).

Managerial practice in precedent generations was by personal experience using knowledge and insight derived from the recollection of lessons learned in general life (Wren et al., 2009). As theory of management began to emanate, its influence on practice began to be felt in the component activities of the organization; particularly managerial objectives for increasing labour productivity such as technical planning, control, payment systems and employee relations (Smith & Boyns, 2005; Wren et al., 2009). Succeeding generations of managers have progressively moved towards a pragmatic realist stance, applying new knowledge to organizational phenomena that is relevant and useful in the particular context (Raut & Veer, 2014).

Examination of extant literature reveals two perspectives each with a set of differing and changing views, theories and frameworks based on diverse management thoughts. The traditionalist perspective comprises the classical theories and human relations/behavioural theories of management and the modernist perspective, systems theory and its variants and contingency theory of management. On the basis of the synthesis of the original works of seminal theorists (Lemak, 2004) proposes that the set of theories be described as paradigms. He further postulates that their main differentiating characteristics are along the focus of managerial attention, role of managers and the ultimate objective of the organization.

Change Factors to Management Theory

Six interdependent drivers of management theory change are discernible from extant literature: globalization, technological change, customer sophistication, deregulation of markets and industry, pressure for business ethics/governance and cultural diversity. Globalization is driven largely by technology and customer sophistication, while the rapid advancement in technology is due to globalization and the explosion of knowledge and ideas. Whilst deregulation of markets and industry calls for responsible corporate governance in the face of reduced government control; with globalization, cultural diversity of the workforce is making the work experience rich and diverse.

Globalization

Gatignon and Kimberly (2004) define globalization as a process that refers to the big picture that draws products, services and markets around the world closer together. Globalization is a concept that refers to an increasing flow of goods and resources across national borders and the emergence of a complementary set of organizational structures to manage the expanding network of international economic activity and transactions. The result is new markets, new competitors, new opportunities for workers and organizations thus changing the work experience and environment (Burke & Ng, 2006).

Globalization has impacted the management mindset in several profound ways. The range of management no longer coincides with national political boundaries and organizations have to become competitive on a global scale as competition is now borderless. Extant literature demonstrates that globalization is changing former assumptions, practices, and strategies. Weeks (2002) observes that in the face of the associated uncertainty, instability and discontinuous change, managers have to become more conversant with alternative management processes that are more effective in a global market place to profitably meet international and cross-cultural customer bases with constantly changing needs, expectations and aspirations. The level of participation by all, irrespective of their location on the globe, is increasingly being made viable by technological platforms of communication and makes the task of satisfying customers much more daunting and enormous (Jamali, 2005; Stoner et al., 2003; Weeks, 2002).

The turbulent 21st century environment in which organizations operate in requires quick managerial decision-making as well as constant adjustment to changing economic conditions (Czerwiec & Rejmer, 2012). The face of labour markets is also changing, as in an effort to lower costs, labour and supplies are outsourced both locally and offshore; new employment relationships have also developed with work parceled out to independent contractors and consultants; in addition, the workforce is not only culturally diverse but global spanning several time zones. Under such circumstances it would be difficult to apply the traditional models of management that rely on autocratic styles fed by hierarchical position conscious systems (Burke & Ng, 2006; Czerwiec & Rejmer, 2012; Jamali, 2005).

A major trend of the last two decades has been the proliferation of free trade zones among nations. The most significant trade blocs being the European Union (EU), the North American Free Trade Agreement (NAFTA), and the Association of Southeast Asian Nations (ASEAN); the shared aims of the agreements that create these blocs are - to liberalize trade, promote economic growth, and provide equal access to markets among the member nations. Attendant is increased multinational firm activity due to reduced tariffs with more direct foreign investment between regions and more open multilateral trading. Multinational corporations exploit the cost advantages of manufacturing at cheaper locations and then ship inexpensively to other nations. The uneven playing field has caused decimation of industry in some nations and labour displacement of unprecedented levels (Antras & Foley, 2009; Gorman, 2003; Irwin, 2008).

The on-going transformation builds new kinds of organizational structures that are flatter, driven by competency with highly decentralized decision-making and problem-solving capabilities; such as network structures, matrix structures, hypertext structures so that organizations can tap into the enormous global economy and also mitigate against potential threats (Czerwiec & Rejmer, 2012; Jamali, 2005; Stoner et al., 2003).

A fundamental re-orientation to management with managers having a global mindset is being fashioned to provide visionary leadership to face new possibilities for strategic global alliances and partnerships for competitive advantage (Molinsky et al., 2012; Stoner et al., 2003).

Technological Change

The economic and competitive landscape of the 21st century has been taken by storm and transformed by a technological revolution involving the creation of a computerized network of communication, transportation and exchange along with the extension of a world capitalist market system that is absorbing evermore areas of the world and spheres of production, exchange and consumption. The technology and information revolution influences global communication, the rapid decline of transportation costs and shortening of product and technology life-cycles. The technological revolution presupposes global computerized networks and the free movement of goods, information and people across national boundaries. Hence the internet and global computer networks make globalization possible, by producing a technological infrastructure for the global economy (Bateman & Snell, 2007; Jaworska, 2012; Molinsky et al., 2012).

Technological inventions for production such as machineries and computers have increased productivity changing from traditional work production that relied on human beings. Today computer technology is used for new product/process design among many other functions automating most production processes. Inventions in communications and mobile technology such as cellular phones, Blackberries, PDAs and WiFi (Wireless Fidelity) facilitate telecommuting and flexible work arrangements further changing the way people work. The traditional hierarchical channels of communication have been replaced with intranet and email which enable rapid diffusion of information to everyone in the organization (Jamali, 2005; Zachariev, 2002).

New management methods have emerged that bring employees into cross functional teams, changing roles, interdependencies and individual experiences. Relative power is shifting from managers to subordinates with flatter and leveled organizational structures. The 'command and control' management style is mutating to 'coordinate and cultivate'. Decision-making and problem-solving have become less centralized and more inclusive with creative input not only from the local contexts but also across borders- regionally and inter-continentally (Jamali, 2005; Zachariev, 2002).

The new generation of workers, known as knowledge workers, are also changing the methods of management. Tzortzaki and Mihiotis (2014) describe knowledge workers as expert users of technology and networks. Other writers observe that they drive organizational performance and success and are key to a company's survival in the knowledge-based economy. With greater autonomy than traditional production workers, these workers use information technology to engage in creative work to produce information intensive products rather than energy/material intensive products of the industrial age (Bateman & Snell, 2007; Jamali, 2005).

The surge in knowledge networks such as LinkedIn, Twitter and Facebook has enhanced collaboration and organizational operations transcend national borders. New opportunities are evident for all stakeholders at every level of the organization, whether within or without the organization. The lower cost of doing business and improved efficiency are the key benefits of increasing technological complexity. The old rigid hierarchal management system is out of its depth as the primary factors of production are no longer machinery or financial capital but human capital- the pillar of the knowledge-based economy. Together globalization and information technology have created entirely new business realities that managers must face up to (Jamali, 2005; Tzortzaki & Mihiotis, 2014; Weeks, 2002; Zachariev, 2002).

The technological revolution with the advent of the Internet and computers, has further led into a dynamic emerging era of nanotechnology. Nanotechnology is defined as science, engineering, and technology conducted at the nanoscale - about 10^{-9} metre- to create and use structures, devices, and systems that have novel properties and functions because of their small size (Dreher, 2004). Describing it as manipulation of matter at the atomic level, Canton (2001) echoes scientists and engineers, that nanomaterials, have enhanced properties such as higher strength, lighter weight, unique electrical, thermal, mechanical and imaging properties that are highly desirable for applications within the commercial, medical and environmental sectors. As a fundamental design science, therefore, nanotechnology will have applications for numerous industries: manufacturing, health care, and transportation.

Particularly in the area of health care, nanotechnology is enabling faster, more functional and accurate medical diagnostic equipment. In combination with other medical devices, nanomaterial implants and pharmaceutical products speed up quality and delivery of medical care. The implication of this is that of longevity of the workforce. Conversely, the processing power of the nanochip is ten times more than that of a super computer at a fraction of the price. Far reaching economic and social impacts await, when nanotechnology reaches maturity and manufacturing becomes reliant on robotics. Management must therefore prepare for a nanofuture as factors of production further evolve (Canton, 2001).

Deregulation of Markets and Industry

From the last quarter of the 20th century to the present time, increased deregulation and privatization of key sectors in the mature western economies, albeit in varying degrees in particular markets and for various industries, has been evident. In the 1990s, momentum also picked up for the larger eastern economies with the fall of Communism. Extant literature refers to the pattern of government intervention in the market to be of two forms- economic regulation and social regulation. The former refers to taxes and subsidies accorded to firms protecting them through restrictive entry policies barring competition among industry players. The scenario enables the existence of traditional national monopolies which benefit from the protective regulatory system. The latter, social regulation refers to the government control of individual and firm behavior with respect to the environmental and health and safety implications of the production and consumption of goods and services (Batt & Darbishire, n.d.; Franke & Wei, 2010).

In an effort to improve business operations and increase competition, industries across the world, such as banking, trucking, long-distance telecommunication, petroleum, natural gas, the railroads, airlines, electric power and securities have undergone significant deregulation. In the face of the intense pressure of globalization of markets and technological changes, the withdrawal of protective government-sanctioned canopies continues in virtually all countries. The emergent market structure is characterized by intense competition between numerous product/service providers, a direct consequence of reduced entry barriers and controls on prices, as traditional monopolies are dismantled (Corsi et al., 1991; Desmet & Parente, 2008; Joskow, 2005)

According to advocates of deregulation, consumer welfare improves with the heightened competition, as benefits include superior goods at lower prices, a variety of brands hence greater choice. The competitive pressure that emerges also makes firms seek to be more efficient in order to survive, by pursuing technology-based strategies designed to maximize multiple goals of reducing costs, expanding variety of goods/services and improving response time. Non-price factors such as design and reliability are competitive priorities and order winners. Environmental protection enforcement is another plus for social regulation, as to be competitive firms have to comply and go green (Franke & Wei, 2010).

For many industries, deregulation is a traumatic event as they are now exposed to the market forces of competition. The new market rules reshape the market in ways that privilege some more than others, opponents of deregulation observe. Attendant effects such as restructuring of work underscored by technological changes, labour displacement, with firms becoming leaner in order to be competitive and environmental degradation, are of concern as countries pursue the unbalanced development.

Noting that deregulation primarily redefines the nature of many industries from integrated national systems that provided universal public service to those supporting economic competitiveness in a global economy, researchers concede that management practices have had to shift from emphasizing stability of employment to those with substantial insecurity and instability. The new corporate structures that emerge increasingly adopt a free market attitude, allowing market forces to dictate pricing of goods with firms being price takers (*Krozner_Strahan, 1998).*

The intense product market competition has implications for management, as studies show that reallocation of economic activity is required for firm survival. As the market structure increasingly moves towards a free system with perfect competition, a reassessment of management practices is called for. The freedom to be innovative and the benefits accrued due to competition are passed to consumers as the natural laws of supply and demand operate. Markets open not only to local but also to foreign competition, with consumers enjoying goods and services from across the globe. Management will increasingly be constrained by the discipline imposed for profitability to be realized by more market-oriented firms.

Customer Sophistication

In the face of a dramatically growing global business environment, the 21st century customer demands continuous improvement of quality, functionality of the product and services with much shorter life cycles. Pursuant to the heightened competition new product development for the expanding and varied customer choices is paramount. In addition, the modern-day consumer has access to information across many divides such as the Internet and web-enabled devices such as cell phones, laptops and iphones. He/ she is also increasingly getting connected to other customers via blogs, social networking sites like MySpace and countless communities across the Web (Bernoff & Li, 2008; Jamali, 2005; Jaworska, 2012; Liu, 2010).

Observing that the 21st century customers are better educated, more enlightened, more inquisitive and critical- in one word more sophisticated, Jamali (2005) further points out that new products/ services not only have to be innovative, flexible for customization but of high quality at a cost-friendly price. This is a marked departure from their predecessors who took what was on offer. According to Woldesenbet (2018) the old assumption that end –users are given was close enough to reality up to the early 1980s but now is no longer useful, as technologies and end-users are not fixed and given. He posits that in this dispensation, the foundations of management policy and practice will have to start with customer values and customer decisions on the distribution of their disposable income.

The construct of consumer/customer sophistication has received considerable attention in the run up to the beginning of the century. Sophisticated consumers, it is emerging, have experience with and knowledge about products/ services that impact on purchase decisions. The complexity of relationships and the specificity of demands has increased as, they have more access to information/ experts and are more knowledgeable about their choices.

Empowered by social technologies, they share this knowledge and experiences with others, drawing power from one another as they speak out whenever they want about whatever they want. They define their own perspectives on companies and brands, which are often at odds with the image a company wants to project. With access to lower cost channels globally, via the internet, the balance of power in increasingly tilting from company to customer (Bernoff & Li, 2008; Liu, 2010).

Subsequently this has placed tremendous pressure on companies to deliver value. The value demand by customers is so great that management must 'unlearn' the past to be effective now and in the future (Jaworska, 2012). The definition of quality has evolved from manufacturing-based to user-based then to value-based on the premise of the customer's idea of product/ service usefulness. For value-based quality definitions customer satisfaction is considered as excellence and fitness for use at an acceptable price (Seawright & Young, 1996).

The customer as driver could singly be the most powerful change agent of management thought in the twenty-first century. All organizational efforts, in the current dispensation, are increasingly gravitating around customer satisfaction from improving all business processes, to product/ service design and implementation. Right from the shop floor worker flexibility to change product/services to meet customer needs, aspirations and desires is paramount. In light of this management thinking has to be fundamentally reevaluated to tackle the complexities of the present time. Engaging with the sophisticated customer on the technological platforms may be scary to executives but could be a source of competitive advantage for future product research, development and improvement efforts (Bernoff & Li, 2008; Jamali, 2005; Jaworska, 2012; Liu, 2010; Seawright & Young, 1996; Zachariev, 2002).

Pressure for Business Ethics and Corporate Governance

According to Sullivan (2009), for a long time ethics, corruption and corporate governance were considered marginal non-financial issues irrelevant to the core objective of profit maximization by companies across all industries worldwide. However, towards the end of the 20th and the beginning of the 21st centuries, observations indicate a positive development that these issues are now being embraced as strategic components of long-term business sustainability.

In the last decade or so since the beginning of the millennium, public trust in the corporate world has dwindled. Weymes (2004) takes note of the corporate scandals that have rocked the world in recent times causing great public outcry against the unethical behavior of chief executives; such as Enron, WorldCom and Adelphia in the USA and Parmalat and Mannesman in Europe. He urges an urgent re-evaluation of the management paradigm that espouses the position of shareholder wealth maximization, fixating the chief executive on retaining control to meet shareholder expectations rather than positive contribution to society.

Contemporary management practice problems which include gross mismanagement, lack of corporate governance, high gearing, lack of significant cash flow, lack of transparency, lack of social justice, environmental degradation and the general decline of the economy, according to Small (2004) should lead to a soul-search on what attributes an individual should possess to be a chief executive or manager. The questionable contemporary management practices with which executives and managers serve self-interests that do harm to society prompts an urgent call for corporate citizenship so that organizations focus on social and environmental issues as well as economic returns (Jamali, 2005; Small, 2004; Weymes, 2004).

Cultural Diversity

Cultural diversity has been defined as “the representation, in one social system, of people with distinctly different group affiliations of cultural significance.” In literature the term managing diversity refers to a variety of management issues and activities related to hiring and effective utilization of personnel from different cultural backgrounds.

Virtually non-existent in the pre-industrial, industrial and post –industrial eras, workforce diversity and in particular cultural diversity has been increasing, as the working environment of the 21st century becomes more and more heterogeneous. Increasingly globalization is leading to global teams managing international projects. How people from different nationalities can work together to achieve team performance has been magnified to new levels with increased international mergers and acquisitions. Several researchers assert that well managed cultural diversity could be a source of competitive advantage for organizations (Cox & Blake, 1991).

Variously researchers observe that managing diversity remains a significant organizational challenge, pointing to the need for managers to acquire novel managerial skills for the multicultural work environment. There is a greater need for leaders of organizations to facilitate communication and bring themselves and the organization to value multicultural differences due to language, degree of acculturation, values and norms. Rather than be a barrier to effective team functioning, they can use them to gain a competitive edge (Cox & Blake, 1991; Mazur, 2010; Shore et al., 2009).

The changing composition of the workforce is offering new opportunities and challenges for managers. In terms of opportunities, culturally diverse teams are associated with more creativity and innovation (Gupta, 2013) impacting on the sales, productivity and market share of the firm. However, Mazur (2010) identifies a key challenge as communication issues which make it difficult for everybody to make optimal contributions to the group effort leading to conflict and high employee turnover.

Utilizing systems thinking: the organization as a social system is an organismic and complex entity which reacts to and interacts with an entropic environment. The uncertainty therein constitutes information/events which the system conceives as energy that triggers transformation. This changes the state of the organization leaving behind structural effects. Living systems can through their interactions and transformations continuously regenerate, a characteristic termed as autopoiesis in literature. Organizations as autopoietic systems, therefore, are ‘fired up’ in the face of unpredictability to continuously self-create or self-reconstruct thus avoiding disintegration. What emerge are new systems/subsystems as solutions to the environment’s volatility; which can be considered as an evolution of the system due to the environment’s entropy (Laszlo & Krippner, 1998; Mavrofides et al., 2011; Schatten & Bača, 2010). What would happen to the system if the environment becomes highly predictable (i.e. zero entropy)? Is uncertainty an attractive condition? Authors concede that freedom relies on uncertainty and the absence of problems can cause a deadlock. That is to say that uncertainty in itself triggers creativity as well as innovation and other systems are developed to deal with it (Mavrofides et al., 2011).

Drawing from the above arguments, therefore, the enormous global economy of the twenty first century, with high technological interconnections, variously democratized customer bases in constant flux and a culturally evolving and empowered workforce, presents challenges of uncertainty in a rapidly changing world. In this supercharged environment organizations have to, as a matter of survival, self-reconstruct. Figure 1 provides a representation of the external context of organizations characterized by what researchers describe as context- disrupting technology, customer choice enhancing globalization, employee and consumer rights enhancing deregulation and democratization. Following several researchers’ arguments, the system learns, dissolves what has been established and adapts to external and internal changes with the unsteady environment providing information that energizes recreation and regeneration. As the flow of people, information, energy and goods intensifies, the boundaries of the social system are transcended with convergence and integration being outcomes of a manifestation of evolution leading to more complex systems. Once movements lose momentum, order is reestablished giving way to a new era of comparative stability until another dispensation of contextual perturbations (Laszlo & Krippner, 1998; Mavrofides et al., 2011; Okwiri, 2014).

It is therefore, imperative that the organization be attentive to external stimuli and adapt appropriately. With this host of new realities, how will the twenty-first century manager cope? Does he have the required global mindset, visionary leadership and managerial skills to tackle a multicultural and multitalented workforce in less structured organizations that are technologically networked? Can he manage 'technical experts' and create an environment where they can synergize and their creativity can grow uninhibited? Furthermore, the customer is now 'king' and is gaining greater power to dictate the direction the organizations will go, can management bear the pressure to risk taking the organization into unknown prosperous frontiers? More critically, can management conduct itself in an ethical manner and deliver on value to the society as a whole?

The drivers aforementioned, necessitating the ascendancy of new assumptions and beliefs for posterity of organizations in the 21st century, are interdependent and none supersedes the other. According to Sullivan (2009) they are contingently interlinked in a rather complex web. The conceptualization of systems thinking is presented in Figure 1 below, the conceptual argument of the model being that systems are embedded in their environment with which they exchange matter and energy (Laszlo & Krippner, 1998).

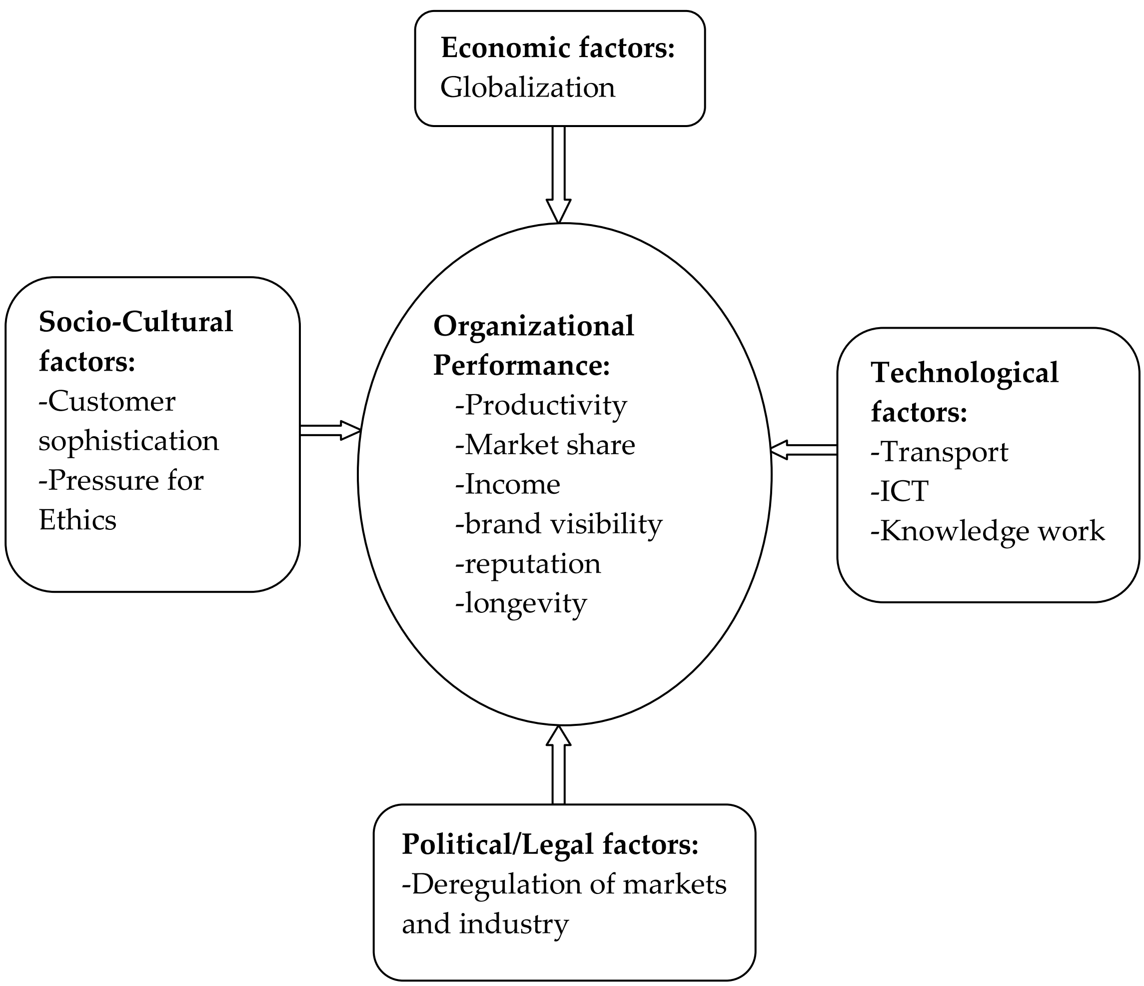

Figure 1: Conceptual Framework

CONCLUSIONS

The study found that six interdependent drivers of management theory change are discernible from extant literature: globalization, technological change, customer sophistication, deregulation of markets and industry, pressure for business ethics/governance, and cultural diversity. Globalization impacts on the lowering of costs, labour and supplies are outsourced both locally and offshore; new employment relationships have also developed with work parceled out to independent contractors and consultants. The surge in knowledge networks such as LinkedIn, Twitter and Facebook has enhanced collaboration and organizational operations transcend national borders. The deregulation of the markets improves with the heightened competition, as benefits include superior goods at lower prices, a variety of brands hence greater choice. In respect to the customer sophication, the complexity of relationships and the specificity of demands have increased as they have more access to information/ experts and are more knowledgeable about their choices.

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