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Changing Management in the Globalization Process

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Abstract: Especially for the last 2 or 3 decades a great change is being experienced with the globalization process on every aspect of life. These economic, politic, cultural and social changes have influenced and continue to influence how the whole world turns as well as management. In consequence of the global flow of the goods, services, information, capital, ideas and cultures across borders rapid and continuous, organizations both have been influenced from and direct this change and also have adapted new management strategies. New methods and concepts for management have been developed by management gurus for firms in order to survive in this wild and creative competition. Total quality management, strategic management, learning organizations, innovation and many other concepts are being discussed in the management science for this reason. This study introduces some of these new management styles briefly and provides a general survey to the effects of globalization on firms and organizational management.

Key words: Management, globalization, process

INTRODUCTION

The term globalization is commonly used in both the everyday conversations and the scientific papers explicating political, social and economical changes. In fact there is no common definition of the term but it's generally accepted that the globalization affects every aspect of our lives. Naturally organizations -no matter if they are large or small scaled- and their management styles have been influenced from this change.

Several management theories developed since, 19th Century but the universe changes quickly so do the firms and management approaches. The 3 critical management challenges for this century are globalization, technology and change. In this context, approaches like total quality management, strategic management and building synergy have attached importance and the key roles of human capital and knowledge have been apprehended in organizational management. Total quality management which relies on developing all processes, goods and services with the complete participation of all stakeholders, increasing the satisfaction of internal and external customers and continuous improvement of organizational outcomes for customer retainment is being put into practice not only in private organizations but also in public management. Strategic management that enables acting according to possible opportunities, risks and threads in global competitive environment came into prominence. It was not surprising that the knowledge has gained importance in the era of information society. Knowledge is added today on the traditional list of resources consist of labor, capital, entrepreneur, nature and raw materials. In the new management approach, knowledge is being sought as the critical input of production and regarded as an important factor for the firm's competitive power and profitability therefore, organizational learning became a priority. Firms that create knowledge and rapidly acquire knowledge created by the others and also reflect this to their processes and products gain competitive advantage. Human resources management became much more important in this frame, while organizational commitment and search for human capital suitable to changing organizational structures emphasized.

In short, globalization radically changed the organization structures and management styles and new concepts are developed for the organizations in global village. This new management methods that help organizations to cope with new challenges are discussed by many colleagues but like the specialization of employees on specific jobs, the researchers also specialized on specific subjects so recent papers published are over-focused on the details of every single management concept. In this study, without focusing on

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specialties, changing management styles in the globalization process and some of the key concepts will be examined to have a general view for the contemporary management approach and the effects of globalization on business life.

MATERIALS AND METHODS

Management can be defined as coordinating work activities so that they are completed efficiently and effectively with and through other people. Geert (1999) prefer the general definition of 'getting things done through other people,' or, more specifically, 'coordinating the efforts of people towards common goals.' The 'other people' involved may be subordinates, clients, customers, suppliers, authorities, or the public in general.

The Industrial Revolution brought about the emergence of large-scale business and its need for professional managers (Gemmy, 2002). The increasing size of organizations (and the increasing wealth and desire to pursue other interests of the factory owners) created the opportunity for the emergence of professional managers - those whose job it was to oversee and supervise the activities of the workers on behalf of owners. The need to manage large-scale organizations and the drive for additional profitability can be interpreted as having given impetus to the study of management (John, 2002).

The science of management has continued to evolve as external and internal environment change. Classical, neo-classical, modern and postmodern management approach developed in management science have influenced the business life. But before discussing the old and new management styles, it should be noted that some researchers do not admit the change of management. Because management is always about people, Greet (1999), says its essence is dealing with human nature. Since, human nature seems to have been extremely stable over recorded history, the essence of management has been and will be equally stable over time. Similarly, Stuart (1999) and Crainer and Dearlove (2006) call attention to the rapid change of management ideas by asking the question: 'Whatever happened to yesterday's bright ideas?. They argue that there is no remarkable change of ideas and the base theories are the same while management gurus titivate and present them in new bright packages as a healer. After these counterviews, the development of management theories in time may be discussed.

In classical approach people were accepted as machines and regarded as the other machines and equipments of the production process in the organization. In this context, employees were in an unchanging, stable and strong hierarchical order in a centralist structure, controlled and bounded with strict rules based on punishment.

The classical or 'machine' model of organization reflects the scientific management approach developed by Frederick Taylor, the classical theory of Henri Fayol and Max Weber's Bureaucracy Theory. Each of these approaches regards the design of organizations as a technical exercise and depends upon fragmenting or dissecting an organization into its component parts for analysis and efficient operation (John, 2002). Each of them searches for the principles to increase efficiency and productivity. Based on 3 different ideas, the common characteristics of the classical approach are listed below:

- Lays stress on factors other than the human factor in organizations. Human factor is always comes the second. After organizing the material factors, it's assumed that the people would act according to prescribed fashion. Proposes mechanical organization structures. The 'machine' approaches to organization may be considered logical extensions of the advances then being made in machine technology where machines are, in general, designed to perform specified tasks at known input/output rates and within specified tolerances; these management approaches assume that organizations can be similarly designed (John, 2002).
- Rationalism and mechanical processes are the starting points of the classical theory. Human factor that may disorder the mechanical rationalism isn't included in the model and looked through in detail. This approach which expresses the implementation of economic rationalism on the organization pre-assumes the human as an inactive element that does what he is said and obeys the system which is believed to be rational.
- Classical theory is based on the closed system approach so, it does not give point to how organizations would adapt to changing environmental conditions. It stresses on the augmentation of productivity and assumes that the principles defined for this reason are universal.
- Organization is accepted as an instrument to accomplish the aims and targets.

Frederick W. Taylor -father of Scientific Management- developed a theory that sought to increase productivity and make work easier by scientifically studying work methods and establishing standards in the late 1800's (Stanley, 2006). Tasks in his 'scientific management theory' were standardized as much as possible and workers were rewarded and punished. This approach appeared to work well for organizations with assembly lines and other mechanistic, routinized activities (Carter, 2006).

The principles of Taylor's Scientific Management are (John, 2002):

- Develop a science for each element of a man's work, which replaces the old rule of thumb method.
- Scientifically select and then train, teach and develop the workman, whereas in the past he chose his own work and trained himself as best he could.
- Heartily co-operate with the men so as to insure all of the work being done in accordance with the principles of the science which has been developed.
- Ensure that there is an almost equal division of the work and the responsibility between the management and the workmen. The management takes over all the work for which they are better fitted than the workmen, while in the past almost all of the work and the greater part of the responsibility were thrown upon the men.

To improve productivity, Taylor examined the time and motion details of a job, developed a better method for performing that job and trained the worker. Furthermore, Taylor offered a piece rate that increased as workers produced more (Gemmy, 2002). Taylor's key assumption that the worker was principally motivated by money was retained and this is still the case in many organizations (John, 2002).

In the early 1900s, Henri Fayol researched and categorized a manager's functions (Stanley, 2006):

Planning: Defining and leading strategy development.

Organizing: Determine tasks and groupings of work.

Staffing: Select who will perform tasks.

Monitoring: Establish oversight process to evaluate results.

Controlling: Correct deviations due to personnel or work flow deficiencies.

Fayol, like Taylor, viewed the organization as a machine. The management were responsible for forecasting, planning, organizing, commanding, co-coordinating and controlling, while the 'workers', distinguished by 'technical capability characteristic of the business', were component parts to be fitted into the machine at the most appropriate place, with 'a place for everyone and everyone in his place'(John, 2002).

Fayol was the first wrote that management is a set of principles which can be learned (Patrick, 2002). His 14 principles of management -which are assumed universal- included division of work, authority and responsibility, discipline, unity of command, unity of direction, subordination of individual interests to general interests, remuneration of personnel, centralization, scalar chain, order, equity, stability of tenure of personnel, initiative and esprit de corps (union is strength) (Stanley, 2006; Gemmy, 2002). While, administrative management emphasizes the manager and the functions of management, Fayol proposed the duties of managers (John, 2002):

- Ensure that the plan is judiciously prepared and strictly carried out.
- See that the human and material organization is consistent with the objectives, resources and requirements of the concern.
- Set up a single, competent, energetic guiding authority.
- Harmonize activities and co-ordinate efforts.
- Formulate clear, distinct, precise decisions.
- Arrange for efficient selection: each department must be headed by a competent, energetic man; each employee must be in that place where he can render greatest service.
- Define duties clearly.
- Encourage a liking for initiative and responsibility.
- Have fair and suitable recompense for services rendered.
- Make use of sanctions against faults and errors.
- See to the maintenance of discipline.
- Ensure that individual interests are subordinated to the general interest.
- Pay special attention to unity of command.
- Supervise both human and material order.
- Have everything under control.
- Fight against excess of regulation, red tape and paper control.

Max Weber, known as the Father of Modern Sociology, analyzed bureaucracy as the most logical and rational structure for large organizations (Gemmy, 2002). Weber's Bureaucracy Theory developed from his view that there are 3 types of legitimate authority in organizations: rational, traditional and charismatic:

> Traditional authority rests on established acceptance of a natural order of society: the rulers and the ruled - perhaps reflecting the idea of monarchy. Charismatic authority rests on the personal devotion of individuals to a particular leader. ... Rational authority was seen by Weber as representing legal authority, with 'obedience owed to the legally established impersonal order'. He considered that the 'purest type of exercise of legal authority is that

which employs a bureaucratic administrative staff' and that bureaucracy was not simply desirable but indispensable to cope with the complexities of the organizations of his time (John, 2002).

According to Weber, efficiency in bureaucracies comes from (Gemmy, 2002):

- Clearly defined and specialized functions.
- Use of legal authority.
- Hierarchical form.
- Written rules and procedures.
- Technically trained bureaucrats.
- Appointment to positions based on technical expertise.
- Promotions based on competence,
- Clearly defined career paths.

Max Weber, who embellished the scientific management theory with his bureaucratic theory, focused on dividing organizations into hierarchies, establishing strong lines of authority and control. He suggested organizations develop comprehensive and detailed standard operating procedures for all routinized tasks (Carter, 2006). According to Weber's bureaucracy theory, the need to achieve consistency gave rise to need for rules and regulations. All tasks are routine, each person is expert and all transactions are written at this kind of organization. Regular activities are distributed as fixed official duties, all activities follow the organizational hierarchy, operations receive equal treatment under consistent system of abstract rules and officials operate as formalistic personalities without becoming emotionally involved (Patrick, 2002).

While benefits could and may still, be obtained from the rational approaches, their lack of humanity is demonstrated by the difficulties which emerge during their application with the people involved. The Human Relations Model of organization emerged as a means of addressing these difficulties and was the first significant challenge to the 'machine' view (John, 2002).

Human Relations Model has been referred to as the neoclassical school because it was initially a reaction to the shortcomings of the classical approaches to management (Gemmy, 2002) According to this view people were appreciated not as economic and rationalist creatures or parts of the production process, as sociological actors. In connection with this appreciation, it is accepted that persons' socio-political nature and characteristics would directly affect the productivity of the enterprise. At this period the idea that the employee deserves an especial concern and evaluation started to settle and interpersonal and group communication became much important.

Neo-classical approach, which emanated from the Hawthorne studies of Roethlisberger and Dickson with Elton Mayo that were conducted from 1924 to 1933 at the Hawthorne Plant of the Western Electric Company, was a complementary one that fills the gaps of classical approach. The missing part of the classical theory that human acts are emotion and consideration oriented was the basic anchor of the neo-classical management. The 'Hawthorne' studies are credited with having discovered the importance of groups in organizations, the influence of the observer on the observed and the need to ensure that the goals and objectives of staff are not in conflict with those of the organization (John, 2002).

Elton Mayo identified the Hawthorne Effect or the bias that occurs when people know that they are being studied (Gemmy, 2002). Elton Mayo and the Hawthorne Studies discovered that the informal organization, social norms, acceptance and sentiments of the group determined individual work behavior. The findings of these studies and the characteristics of this approach are as follows (Patrick, 2002):

- People are not the rational and economic beings assumed by classical theorists. Work satisfaction and hence performance is basically not economic - depends more on working conditions and attitudes - communications, positive management response and encouragement, working environment.
- Rejected `Taylorism' and its emphasis on employee self-interest and the claimed over-riding incentive of monetary rewards.
- Large-scale experiments involving over 20, 000 employees showed highly positive responses to e.g. improvements in working environment (e.g. improved lighting, new welfare/rest facilities) and expressions of thanks and encouragement as opposed to coercion from managers and supervisors.
- The influence of the peer group is very high - hence the importance of informal groups within the workplace.
- Denounced `rabble hypothesis' that society is `a horde of unorganized individuals.[acting] in a manner calculated to secure his self-preservation or self-interest'.
- Social interaction is important and people work well if they feel valued.
- The workers values, desires and needs may be more important than physical conditions.
- Workers want to be respected.

Maslow, McGregor, Herzberg and many others stressed the importance of social relations in organizations, understanding workers and managers as human beings with social and emotional needs (Patrick, 2002). Abraham Maslow while seeing that the 'individual is an integrated, organized whole', proposed a hierarchy of human needs in 1954 as (John, 2002; Patrick, 2002):

Physiological: Hunger, thirst, warmth, bodily comforts.

Safety/security: Protect from danger .

Socialization: Belongingness and love, affiliate with others, be accepted .

Self-esteem: To achieve, be competent, gain approval and recognition.

Self-actualization: Realize one's potential through competence, creativity and achievement.

These later developments still adopt a reductionist and 'closed system' view of the organization, concentrating on improving the performance of parts, not wholes and emphasizing internal rather than external influences on the organization (John, 2002).

Mary Parker Follett and Chester Barnard developed psychosocial and humanistic theories that integrated traditional management and behavioral sciences (Stanley, 2006). Chester Barnard reported new management concepts in the late 1930s with these findings (Patrick, 2002):

- Managers must encourage cooperative efforts. interpersonal relations are important.
- Informal organizations are important to cooperative efforts.
- Inducements include not only monetary rewards, but also nonmaterial rewards and persuasion.
- Authority viewed as accepted from below, not only delegated from the top.
- Art of decision making identified as an important area for analysis.

Gemmy (2002) defines the core of Bernard's acceptance theory of authority:

> Acceptance Theory of Authority states that managers only have as much authority as employees allow them to have. The acceptance theory of authority suggests that authority flows downward but depends on acceptance by the subordinate. The acceptance of authority depends on 4 conditions: Employees must understand what the manager wants them to do. Employees must be able to comply with the directive. Employees must think that the directive is in keeping with organizational objectives. Employees must think that the directive is not contrary to their personal goals. Barnard believed that each person has a zone of indifference or a range within each individual in which he or she would willingly accept orders without consciously questioning authority. It was up to the organization to provide sufficient inducements to broaden each employee's zone of indifference so that the manager's orders would be obeyed.

Peter Drucker who is one of the most widely known management expert world wide, focused on management in action, major problems and practical solutions and identified rapid changes, trends, opportunities with his writings contained provocative ideas. Drucker's management fundamentals are (Patrick, 2002):

- Strategic management: Setting objectives for staff and assessing achievement.
- Decentralization as the principle of effectiveness and the key to productivity and effectiveness.
- Emphasis on high quality personnel management.
- Education, training and development of the manager for future needs.
- High quality information (especially managerial accounting) as the key to successful decision-making.
- Emphasis on marketing (in both for-profit and non-profit sectors).
- Need for long-range planning.
- Management based on objective-setting.
- Management by results.
- Even 'for-profit' business organizations should be viewed as human and social structures rather than economic ones .
- 'One cannot manage change. One can only be ahead of it' .
- In the 'new information revolution', focus on the information, not the technology that collects it .
- Knowledge workers must be seen as capital assets, not costs, while knowledge workers must manage themselves and their careers.
- Managing in turbulent times:
  - Preparing to deal with sudden changes and take advantage of new situations.
  - Competitive advantage.

Following the neo-classical theory, modern management approach which is still valid today accepts the human factor as a fundamental element of the organization and his harmony with the other elements put into prominence. It's suggested that the complete success depends on the consonance of the organizational structure and the employees, circulation of authority and responsibility and the existence and efficiency of the participation processes. Based on the idea that the employee is a part of the management, quality circles, working groups and brainstorming teams are formed. Several activities for the employees, trainings for their self-improvement and involving them in decision-making process are the signs of increased importance of human factor in management.

In parallel with the industrial, technological and cultural change, the enlargement and complicacy of the organizations made it impossible to find solutions for the dynamic structure of them by the classical ways. One of the new approaches developed for this reason is system approach. This viewpoint uses systems concepts and quantitative approaches from mathematics, statistics, engineering and other related fields to solve problems (Gemmy, 2002). System is the whole consist of several physical or conceptual sets of elements which have a relation between for reaching one or more goals. The components are independent and inter-related. Interdependent subsystems (such as production, finance and human resources) work toward synergy in an attempt to accomplish an organizational goal that could not otherwise be accomplished by a single subsystem (Gemmy, 2002). Components affect each other as well as the whole. Any failure of the subsystems would be reflected on the broad system. Therefore, to discover the system, the subsystems and their relations should be examined.

Organizations are similarly operating systems and they are constituted of technical, strategic, managerial, cultural and structural subsystems. The basic of the system theory is that the most important is the whole and the component elements are important in proportion they influence the whole. Systems develop synergy which is a condition in which the combined and coordinated actions of the parts of a system achieve more than all the parts could have achieved acting independently (Gemmy, 2002).

Systems theory has brought a new, broader perspective for managers to interpret patterns and events in the workplace. They recognize the various parts of the organization and, in particular, the interrelations of the parts, e.g., the coordination of central administration with its programs, engineering with manufacturing, supervisors with workers, etc (Carter, 2006).

In contrast to classical and neo-classical approaches, modern organization theory handles the organization as an open-system which is interacting with the environment and dealing with the entropy (the process that leads to decline) using the feedback obtained from it. It is very helpful to harmonize increasingly changing and diversifying organizations

The behavioral sciences played a strong role in helping to understand the needs of workers and how the needs of the organization and its workers could be better aligned and various new theories based on the behavioral sciences like the X, Y and Z theories were spawned (Carter, 2006).

Douglas McGregor, in his work called The Human Side of Enterprise, addressed the central dichotomy of management: whether workers are self-motivating individuals or fundamentally lazy and require constant policing. These 2 positions he characterized as Theory Y and Theory X, respectively: the carrot and the stick (Stuart and Dearlove, 2006). McGregor's theory is based on the idea that the way an organization runs depends on the beliefs of its managers and behind every managerial decision or action are assumptions about human nature and human behavior (Patrick, 2002). Studied on motivation like Maslow, McGregor have defined the attitudes of managers and workers, as well as how workers are perceived by management and how workers perceive their role in an organization.

Theory X which indicates classical management approach has a negative view of human behavior and assumes most people are basically immature, need direction and control and are incapable of taking responsibility. They are viewed as lazy, dislike work and need mixture of financial inducements and threat of loss of their job to make them work (Patrick, 2002). In contrast Theory Y which represents modern management approach assumes that people want to fulfill themselves: seek self-respect, self-development and self-fulfillment at work as in life in general (Patrick, 2002). The assumptions of these theories are listed below (Patrick, 2002; Vbm, 2007):

Theory X:

- Humans inherently dislike working, wishes to avoid responsibility and will try to avoid it if they can; they are motivated only be money and do not care about the job.
- Average employees want to be directed. Close supervision is required and people must be carefully controlled and coerced into working.
- People must be coerced, controlled, directed, threatened with punishment to do work to achieve objectives
- Average humans are clear and unambiguous and need security at work.

- This theory is conductive to large scale efficient operations
- Management style is authoritarian, hard management.

Theory Y:

- Work is as natural as play or rest. Humans expend the same amount of physical and mental effort in their work as in their private lives.
- People do not inherently dislike, they often enjoy their work. Whether work is a source of pleasure or a punishment (to be avoided) depends on nature of the work and its management. Job satisfaction is the key to engaging employees and ensuring their commitment.
- People will exercise self-direction and self-control towards achieving objectives they are committed to.
- Effort at work need not depend on threat of punishment. Commitment to objectives is a function of the rewards associated with their achievement: satisfaction of ego and self-actualization needs can be directed towards the objectives of the organization
- The average human being learns, under proper conditions, not only to accept but to seek responsibility.
- People are motivated by wanting to do a good job and will do well if the opportunity is presented
- Imagination and creativity is widely distributed. People have capacity for imagination, ingenuity and creativity. Their ingenuity should be used to solve problems at work.
- Under the conditions of modern industrial life, the intellectual potentials of the average human being are being only partly utilized.
- The theory is conductive to management of professionals and participative complex problem solving.
- The management style is participative, soft management.

McGregor sees Theory Y as the preferable model and management method, however he felt Theory Y was difficult to use in large-scale operations. Nonetheless, in 1981, William Ouchi came up with a variant that combined American and Japanese management practices together to form Theory Z assumptions of which are listed below and having the following characteristics: long-term employment; collective decision making; individual responsibility; slow evaluation and promotion; implicit, informal control with explicit, formalized measures; moderately specialized career paths; and a holistic concern for the employee, including family (Patrick, 2002; VBM, 2007).

Theory Z:

- Value of culture in an industrial society.
- Intimate and cooperative work relationships.
- Alienated in work environment in which family ties, traditions and social institutions are minimized.
- Workers have strong sense of moral obligation, discipline and order.

Beside the ones overviewed above, many ideas or concepts are developed for the changing environment and the organizations in management science. But before examining some new management concepts of the globalizing world, the highly discussed phenomenon of globalization and the changing organizational structures will be argued in order to see what made it necessary to find new ways to deal with the emerging challenges.

RESULTS AND DISCUSSION

During the last several years, globalization has unmistakably emerged as a major topic of discussion and debate in a range of popular as well as scholarly forums (Anshuman and Prasad, 2006). The definition is a controversial issue but to put it simply, globalization is the enhancement of communication and interaction of people, societies and states located at different parts of the world in the frame of the concept of ‘interdependence’. The collapse of communism, the changing political dogmas, privatization, de-regulation, universal support for market economies and convergence of technologies have all been the main drivers of the globalization process (Sultan, 2004).

The word ‘globalization’ which is first appeared in a dictionary in 1961 designates a growth of connections between people across the planet; however according to Scholte and Aart (2000) this general notion can be elaborated in at least 5 substantially different directions:

Internationalization: From this perspective, ‘globalization’ designates a growth of exchanges and interdependence between countries. ‘Globalizing’ world involves increased movements across state frontiers of ideas, investments, messages, money, people and products. Moreover, these expanded interactions enlarge the effects that events and conditions in one country have on others.

Liberalization: Here ‘globalization’ refers to a process of removing government-imposed restrictions on movements between countries to create an ‘open’ world economy. This kind of globalization involves the reduction or abolition of statutory trade barriers, foreign-exchange restrictions, capital controls and (in principle though rarely in practice) migration limits.

Universalization: In this usage, 'global' means 'worldwide' and 'globalization' is the process of spreading various objects and experiences to people at all corners of the earth. Some commentators also relate this kind of globalization to growing recognition of a human commonality on a worldwide scale.

Westernization: This trend involves a particular kind of universalization, namely, that of 'modern' civilization, especially in an 'Americanized' form. From this perspective, globalization entails the imposition of Western modernity the world over, normally destroying pre-existent cultures and local self-determination in the process.

Deterritorialization: Following this interpretation, globalization entails a reconfiguration of geography, so that social space is no longer wholly mapped in terms of territorial places, territorial distances and territorial borders. Through globalization, people can also have 'supraterritorial', 'transworld' or 'transborder' connections, in which terrestrial distances are covered in effectively no time and territorial frontiers present no particular impediment. Channels for this kind of globality include air travel, telecommunications and computer networks.

Some studies attribute globalization to modernity, capitalism, technology and/or enabling regulation (Scholte and Aart, 2000) while some of them suggest that the globalization merges at least 3 different forces: dramatic advances in the capabilities of information and communication technologies and in transportation speed and capacities as well as the liberalization of previous national regulatory regimes (Christian, 2004). Some researchers insist that the globalization starts with the beginning of international trade and some argue that the contemporary phase of globalization does seem to include some markedly novel characteristics that noticeably distinguish it from earlier forms of globalization:

> It is possible to see the contemporary phase of globalization as beginning during the post-World War II period and gathering added momentum since the decades of the 1970s and the 1980s. The characteristics that differentiate the contemporary phase of globalization from earlier phases are related, in part, to the technological revolution involving transportation, telecomm-unication and information processing, as well as to political and ideological developments (Anshuman and Prasad, 2006).

Whether globalization is the reason or the consequence, or if it is a continued process rooted at the centuries ago or a new phenomenon emerged after the World War II, depends on the point of view. But it's clear that present generations live in a different world from their ancestors.

At the same time as being a result of certain social forces, globalization is itself also a cause of other social outcomes (Scholte and Aart, 2000). Through many papers on globalization, a brief summary of the facts explained in the study of Anshuman and Prasad (2006) who examined several works on the affects of globalization may help the reader to understand different aspects of the globalization more comprehensively:

- Globalization of production has been accompanied by the growth of wide-spread international networks and supply chains for producing goods and services, a huge increase in the total volume of foreign direct investment (FDI) and greatly enhanced role and significance of transnational corporations (TNCs) in the world economy.
- Globalization of trade has led to growing share of trade in the total economic output of the world, modifications in geographical patterns of global trade and rise of influential regional trade areas such as the Association of South East Asian Nations (ASEAN), European Union (EU) and North American Free Trade Agreement (NAFTA).
- Analyses of cultural globalization frequently focus on ever increasing exchanges of cultural practices taking place across national boundaries in today's world. Some researchers tend to subscribe to the thesis of 'cultural homogenization'. According to this thesis, several cultural forces emanating from the United States or the West in general are seen as leading to the creation of a homogenized and standardized global culture that is ongoingly eliminating and/or diluting cultural differences and authentic local cultural practices across many parts of the world. Other analysts, however, reject the thesis of cultural homogenization and argue that cultural globalization is a process of mutual exchange of cultural forms and customs across different cultures, rather than a unidirectional flow of cultural practices from the West to the rest of the world.

- The contemporary phase of globalization has witnessed large-scale international movements of people as legal and illegal migrants, refugees and exiles, displaced persons, guest workers, tourists and the like. Such movements of people have often played major roles in highly complex developments involving diversity, multiculturalism and individual and group identities.
- Partly as a result of the growth of free-market sentiments and the ideology of neo-liberalism accompanying contemporary globalization, the role of the nation-state seems to be undergoing considerable change in a number of countries and serious debates have emerged on the issue of whether or not the political dynamics of globalization might lead to the disappearance/dilution of nation-states in their current form.

From a more specific perspective, it is possible to list some of the characteristics of the globalized world economy as follows (Ulvi, 2008):

- Emergence of new markets and escalation of international competition.
- National and international integrations.
- Advances in information and communication technologies.
- New technological innovations.
- Advancing and diffusion of computerized systems.
- Cost reducing production technology.
- Emphasized importance of human capital.
- Changing expectations of customer for the quality of the products/services.
- Employees' increasing demand for management participation and democratic management.
- Decreasing interference of the state to the economy.
- Changing structure of demography and labor.

In conclusion globalization has a wholly effect on how we live, how we trade, how we invest and how we communicate. This ongoing process will keep changing every detail in everyday life and as things change so does the management.

Changing organizations and new managerial solutions: In the light of these explanations, it could be said that globalization processes comprise several dimensions including economic, technological, cultural, social, environmental, demographic, political and geo-political. The economic dimension of the globalization naturally affects the organizations and their management styles. The trends in the global environment require management to incorporate consideration of the international dimension in their marketing planning may be summarized as:

- Rapid changes in technology and especially the World Wide Web.
- The rapid emergence of the global service economy.
- The evolution of the 'knowledge' economy emphasizing people as organizational assets.
- Relationship management.
- Transparency of corporate practices and greater social responsibility.

Globalization allows economic activities to be diffused widely so the types of the organizations have changed and new management concepts have introduced so as to handle the enduring environmental change. There are many categorizations on the types of organizations in the search of internationalization. Instead of accepting one of them true, a few examples will be given. For instance Maurice (2002) categorizes the organizations into one of 4 types:

National: Operates from a strong national base, but with agents or sales force offering products or services outside its borders.

Multinational: The entire strategic decision making concentrated in the home country, with 'implementing' subsidiaries abroad.

Transnational: Empowered, often profit-centered subsidiaries, capable of or currently operating at a high level of independence.

Global: High level of diversity of operation, with independent national/transnational players and little or no identity of corporate ownership.

Spivey and Lawrason (1990) introduce a different categorization:

The multinational firm: This is essentially a decentralized federation; overseas operations are regarded as a portfolio of largely independent, nationally oriented businesses. The competitive advantages enjoyed by such a firm are primarily specific to a country. The basic strategic objective of each subsidiary is thus to 'optimize' its operations in the local environment.

The international firm: Sometimes referred to as a coordinated federation, this features stronger control from headquarters, tighter linkages of responses to headquarters and subsidiaries and centralized planning and information systems, but preserves a decentralized decision framework. An indication of the shift in the organizational center of gravity from that of the multinational model is that overseas operations are often viewed as appendages to a strong central leadership.

The global firm: This model features still more centralization of controls, assets, resources and responsibilities; overseas operations are used to reach foreign markets in order to operate on a global scale and to face global competition more effectively. That is, the business has some comparative advantage in integrating activities on a worldwide basis and it exploits linkages among countries in competing with other firms, perhaps in a variety of countries.

Another classification by Dilara (2005) for the organization types is as follows:

International firm: After based in a country powerfully, firms trying to enter and settle in other counties utilizing the central management.

Transnational firm: Firms accepted as multinationals and management teams of which consist of people from several nations.

Supranational firm: Firms which do not exist actually at all and do not belong to any county. These firms establish with an international agreement and are registered by an international organization and bound to this organization, audited by this organization. Such firms pay taxes to this organization and thus lose their nation legally.

Multinational firm: Firms being managed from a country and accept the activities in the foreign countries as if they happen in the base country. According to another definition, multinational firm is a big firm while headquarters of which is at a country; its activities carried in one ore more other countries by centrally coordinated branches or subsidies according to an organizational policy decided by the main firm headquarters.

It's apparent that there is not a consensus on the categorization of the firms or on the definition of terms used to describe them. This is largely because of the enormous diversity of business organizations playing prominent roles in the world today (Spivey and Thomas, 1990). But it's a fact that companies can no longer simply export their domestic business practices to foreign markets and expect to reap the full benefits of internationalization (Gregory *et al.*, 2003).

As the world economy becomes more competitive, dynamic, uncertain and volatile, more firms must compete globally because the costs associated with the development and marketing of new products are too great to be amortized over a single market, even one as large as the United States or Europe. Yet, many products and services demand accommodation to local customs, tastes, habits and regulations. Consequently, there is a growing need to manage globally, as if the world were one vast market and simultaneously to manage locally, as if the world were a vast number of separate and loosely connected markets (Florkowski and Schuler, 1994).

Globalization is meaning a deep alteration in the way firms compete. Survival in an environment like the present-day one, in which we find a trend towards a model for economic integration which must manage to get a balance between the need to unify, derived from the global concept and the need to differentiate, which has its origins in regional differences, is not easy at all for those firms which are unable to make an efficient use of their resources and to get the maximum possible profit from them (Mercedes and Vañó, 2002). Also internationalization is a complex, challenging and costly process and success in global markets requires companies to be entrepreneurial in deciding when, how and where to expand internationally (Gregory *et al.*, 2003).

As the processes of globalization continue to transform the competitive landscape and the structure of business opportunities, firms are encouraged to expand their operations and markets globally (Orly, 2005). Globalizm implies stature, wide-ranging presence, high market penetration and broad recognition but it also suggests invulnerability against regional downturns, while taking advantage of low-cost environments (Maurice, 2002). However, the increasingly global dimension of trade and investment is both a challenge and an opportunity (Peter, 2006). For these reasons, many firms are trying to become internationalized and to manage the challenges and overcome the possible risks with the help of new managerial solutions.

The intricate and multidimensional forces of globalization seem to be working to create a fundamentally altered new world order and thriving in that emerging new world would require that businesses develop genuinely new and innovative ways of thinking, of doing things, of governing themselves (Anshuman and Prasad, 2006). In a complex and competitive environment, it is a must for the organizations to supply high quality goods and services. Only organizations which produce goods at global standards can survive today. The vertical disintegration of production characterizing the current expansion of world trade is closely associated with the development of information technologies and is underpinned by a revolution in work organization (Peter, 2006). Importance of knowledge and intellectual capital grows bigger and bigger everyday. Managers now have to work with employees from different cultures and make them work together. Mobilized labor and united markets with local characteristics are some other aspects of the globalization which the organizations must face. Together with technological change and the increasing importance of the knowledge, globalization speeds up structural change in organizations. Today's organizations have adopted flexible work arrangements, open communications and greater responsiveness to changes. The changing structure of the organizations can be shown in Table 1.

Flexile organizations which are adoptive to changing environmental conditions are now preferred instead of centrally managed hierarchical structures. Decentralized management, self-evaluation, downsizing and resizing are some of the new methods used for survival and development. Matrix, modular, network, virtual and open organization models are developed in the course of time. For example modular organization indicates an organization in which the different functional components are separated from one another with the horizontal design of a system. The main organization conducts the basic functions while the subsidies the functions of their area of specialization. However, network organization does not have an organic link with its functional units like the modular organization. While, all the functions are conducted by outsourcing, main organization acts like a network which coordinates them. Virtual model is the organizational structure that combines different organization's specific capabilities and cost advantages. Enabled by new information and communication technologies, most importantly the Internet, the virtual organization model offers businesses a chance to reduce costs, become more flexible and extend their market reach all at once (Adli and Busler, 2006). This concept also defines the organizations which does not have even a concrete organizational structure but target common aims with relations built through technology.

With the transition to a new global perspective, old perspectives like physical technology, capital-centered economy, material growth based progress, hierarchical institutions and conflict based working relations are, respectively replaced with information technology, human-centered economy, sustainable development and cooperation in working relations (Halal, 1993). These changes requires managers to manage within an organizational context, accomplish tasks with and through people, manage paradoxes, make a substantial commitment and manage in an entrepreneurial manner. The complex and multi-dimensional transformation of the world order presaged by the forces of ongoing globalization seems to present businesses and managements all over the world with a range of rather new and intricate challenges on a number of different fronts (Anshuman and Prasad, 2006). To cope with these challenges new management concepts like total quality management, strategic management, innovation, re-engineering, organizational learning and outsourcing etc. are brought into foreground. For example outsourcing is one of the popular ways preferred for efficiency in global competitive environment because 'alliances between companies, whether they are from different parts of the world or different ends of the supply chain, are a fact of business life today' (Adli and Busler, 2006).

Table 1: The changing organizations

Traditional organization	New organization
Stable	Dynamic
Inflexible	Flexible
Job-focused	Skills-focused
Work is defined by job positions	Work is defined in terms of tasks to be done
Individual-oriented	Team-oriented
Permanent jobs	Temporary jobs
Command-oriented	Involvement-oriented
Managers always make decisions	Employees participate in decision making
Rule-oriented	Customer-oriented
Relatively homogenous workforce	Diverse workforce
Workdays defined as 9-5	Workdays have no time boundaries
Hierarchical relationships	Lateral and networked relations
Work at organizational facility during specific hours	Work anywhere, anytime.

Following the economic principle which says companies should focus on what they are good at and this makes perfect sense, outsourcing allows businesses to do what they are best at by transferring non-core activities to outsourcing companies that specialize in delivering such services (Jonathan and Hinks, 2001). Firms focus on their comparative advantage, on the points at which their margins are greatest and, particularly, on the 2 ends of the chain (Peter, 2006). As major parts of the internal value chain of a firm began to be contracted out to single providers outside the boundaries of the firm, the term 'outsourcing' referring to the practice of transferring activities traditionally done within a firm to third party providers within the country or 'off-shore' became popular (Falughi and Shiel, 2006).

Outsourcing can be used to harvest the benefits of lower labor costs, to develop competitive strategies, to removing the need to focus on non-core activities and reduce organizational and technological strain, to provide access to newest technologies and volume flexibility etc. But beside its advantages, outsourcing has remarkable risks especially if the providers are off-shore a firm outside the outsourcing firm's country. The decision to move activities offshore involves far more than simply searching out the lowest-cost location; activities should be located where they function most efficiently and effectively with the right balance of cost, flexibility and risk (Table 2) (Jonathan and Hinks, 2001).

As well as the factors listed above, the quality of the goods/services of providers must be taken into consideration because the quality is one of the prior concerns in today's business life. Customers are not only becoming more demanding in terms of the quality of the services (and goods) but keep changing the definition of what quality means to them (Jonathan and Hinks, 2001). Total Quality Management (TQM) is introduced by management gurus for this reason. TQM is a management approach customer-focused and participatory which targets zero defect namely perfection. Dependent to this target, Total Quality Management aims continuous improvement. There is no single theoretical formalization of total quality, but Deming, Juran and Ishikawa provide the core assumptions, as a '.discipline and philosophy of management which institutionalizes planned and continuous. improvement and assumes that quality is the outcome of all activities that take place within an organization, that all functions and all employees have to participate in the improvement process; that organizations need both quality systems and a quality culture' (Khurram, 2007).

TQM is a strategy for continuously improving performance at every level of an organization while quality is the totality of features of a product, service, or process that bear on its ability to satisfy requirements of producers and users (Gemmy, 2002). By evaluating the quality of processes, TQM aims to decrease defects to a ratio of 3.4 in a million with 6 sigma model. Goods and services are continuously being improved and after sales services are given weight. Accepting the organization as a whole, TQM aims continuous learning and improvement. TQM is the foundation for several activities listed below which means it is an overall management approach (Khurram, 2007):

Table 2: Three key principles underpin choice of location for outsourcing

Right Cost	Labor rates
	Property costs
	Communication costs
	State-of-the-art productivity tools
Right Flexibility	Scope to change delivery model
	Skilled labor market
	Cultural adaptability
	Capability to evolve internationally
	Centers of excellence for business and tech.
	Language capability
	Use of time zones
Right Risk Profile	Knowledge transfer skills levels
	Communication and infrastructure stability
	Service management capability
	Political and environmental stability
	Common recruitment, training and certification
	Common and robust service management tools
	Disaster recovery and business continuity provision

Source: Adapted from Reuvid and John (2001)

- Commitment by senior management and all employees.
- Meeting customer requirements.
- Reducing development cycle times.
- Just In Time/Demand Flow Manufacturing.
- Improvement teams.
- Reducing product and service costs.
- Systems to facilitate improvement.
- Line Management ownership.
- Employee involvement and empowerment.
- Recognition and celebration.
- Challenging quantified goals and benchmarking.
- Focus on processes/improvement plans.
- Specific incorporation in strategic planning.

TQM which places strong focus on process evaluation and controls as means of continuous improvement is a set of management practices throughout the organization, geared to ensure the organization consistently meets or exceeds customer requirements. Important aspects of TQM include customer-driven quality, top management leadership and commitment, continu ous improvement, fast response, actions based on facts, employee participation and a TQM culture (John, 2007).

Customer-driven quality: TQM has a customer-first orientation and customer satisfaction is seen as the company's highest priority. The TQM company is sensitive to customer requirements and responds rapidly to them. The concept of requirements is expanded to take in not only product and service attributes that meet basic requirements, but also those that enhance and differentiate them for competitive advantage.

TQM leadership from top management: As a way of life for a company TQM has to be introduced and led by top management. Commitment and personal involvement is required from top management in creating and deploying clear quality values and goals consistent with the objectives of the company and in creating and deploying well defined systems, methods and performance measures for achieving those goals. These systems and methods guide all quality activities and encourage participation by all employees.

Continuous improvement: Once it is recognized that customer satisfaction can only be obtained by providing a high-quality product, continuous improvement of the quality of the product and process is seen as the only way to maintain a high level of customer satisfaction.

Fast response: To achieve customer satisfaction, the company has to respond rapidly to customer needs. This implies short product and service introduction cycles that can be achieved with customer-driven and process-oriented product development because the resulting simplicity and efficiency greatly reduce the time involved.

Actions based on facts: Facts and analysis provide the basis for planning, review and performance tracking, improvement of operations and comparison of performance with competitors.

Employee participation: A successful TQM environment requires a committed and well-trained work force that participates fully in quality improvement activities. Such participation is reinforced by reward and recognition systems which emphasize the achievement of quality objectives. On-going education and training of all employees supports the drive for quality. Employees are encouraged to take more responsibility, communicate more effectively, act creatively and innovate.

A TQM culture: An open, cooperative culture has to be created by management to introduce TQM. Employees have to be made to feel that they are responsible for customer satisfaction. It's important they participate in the development of visions, strategies and plans.

A TQM related tool, Just-in-time (JIT) which is a management approach with stockless production is introduced in order to prevent waste and improve productivity. Just-in-time that may be defined as 'a philosophy of manufacturing based on planned elimination of all waste and on continuous improvement of productivity' or as 'an approach with the objective of producing the right part in the right place at the right time' should improve profits and return on investment by reducing inventory levels (increasing the inventory turnover rate), reducing variability, improving product quality, reducing production and delivery lead times and reducing other costs (such as those associated with machine setup and equipment breakdown) (Jacobs, 2006).

JIT, considered as an approach which may be the most important productivity enhancing management innovation since the turn of the century by Schonberger (Peter, 2002), applies primarily to repetitive manufacturing processes in which the same products and components are produced over and over again while the general idea is to establish flow processes by linking work centers so that there is an even, balanced flow of materials throughout the entire production process, similar to that found in an assembly line and to accomplish this, an attempt is made to reach the goals of driving all inventory buffers toward zero and achieving the ideal lot size of one unit (Jacobs, 2006).

Another important change in management approach is the strategic planning. According to Chandler, strategy is 'the determination of the basic long-term goals and objectives of an enterprise and the adoption of courses of action and the allocation of resources necessary for carrying out the goals' (Hoskisson *et al*., 1999). Strategic planning is the formulation of major plans or strategies, which guide the organization in pursuit of major objectives (Gemmy, 2002). It is the managerial process of developing and maintaining a strategic fit between the organization and its changing market opportunities and it relies on developing a mission or strategic direction, objectives and goals, growth strategies and a business portfolio consisting of markets and products (Norton, 2000).

In strategic planning, identification of the organization's mission, vision and values; application of strategic plan developed according to them; evaluation of the results of the plan and updating it if necessary is a process repetitious. With open and coherent but a flexible strategy, competitive advantage is aimed. Base data entry is being obtained by internal and external analyses. The strengths and weaknesses of the organization are being specified by conduction of SWOT analyses. Consequently a management approach which provides maneuverability in consistence with probable opportunities, risks and threads in global competitive environment is being adopted. Briefly strategic planning aims to build on to the long-term, financially-oriented corporate plans by adding a strategic focus to the process (Norton, 2000).

Strategic planning serves a variety of purposes in organization, including to (Carter, 2003):

- Clearly define the purpose of the organization and to establish realistic goals and objectives consistent with that mission in a defined time frame within the organization's capacity for implementation.
- Communicate those goals and objectives to the organization's constituents.
- Develop a sense of ownership of the plan.
- Ensure the most effective use is made of the organization's resources by focusing the resources on the key priorities.

- Provide a base from which progress can be measured and establish a mechanism for informed change when needed.
- Bring together of everyone's best and most reasoned efforts have important value in building a consensus about where an organization is going.
- Provide clearer focus of organization, producing more efficiency and effectiveness.
- Bridge staff and board of directors (in the case of corporations).
- Build strong teams in the board and the staff (in the case of corporations).
- Provide the glue that keeps the board together (in the case of corporations).
- Produce great satisfaction among planners around a common vision.
- Increase productivity from increased efficiency and effectiveness.
- Solve major problems.

The globalization of business has become so rapid that also a new field called 'Global Strategic Management' has emerged which is a blend of strategic management and international business that develops world-wide strategies for global corporations (Halal, 1993). Marketing is an important component of the global strategic plans. For, in consequence of globalization, supplying goods and services shaped appropriate with the requirements of local customers in global markets b ecame important. Warren J. Keegan explains the global marketing with its pros and cons in the lines below (Sultan, 2003):

> Global marketing is the process of focusing the resources and objectives of a company on global marketing opportunities. Companies engage in global marketing for 2 reasons: to take advantage of opportunities for growth and expansion and to survive. Companies that fail to pursue global opportunities are likely to eventually lose their domestic markets because they will be pushed aside by stronger and more competitive global competitors…. Global marketing's importance today is shaped by the dynamic interplay of several driving and restraining forces. The former include market needs and wants, technology, transportation improvements, costs, quality, global peace, world economic growth and recognition of opportunities to develop leverage by operating globally. Restraining forces include market differences, management myopia, organizational culture and national controls.

It is possible to state the distinguishing features that characterize the marketing function, in particular marketing strategy in the 21st Century as listed below (Norton, 2000):

- Intensifying competition from developing countries shocked many traditional-minded executives from mainline firms into devising fresh strategies to respond to prices that often ranged from 30-40% below prevailing market pricing.
- Changing market behavior, along with new flexible manufacturing techniques, convinced even the most skeptical executives about the vast opportunities and competitive advantages of creating specialized products and services targeted to dissimilar groups based on age, income, education, occupation, race, ethnic and cultural characteristics.
- Shifting life styles influenced marketers to focus on how different groups live, spend and act - all of which were being highlighted by the media and influenced by diverse political, economic, cultural and social movements.
- Shortening product life cycles due to the proliferation of new products and the continuing flow of dazzling new and affordable technology convinced executives to probe for emerging or previously disserved market segments. In turn, those circumstances triggered even greater efforts to push for faster-cheaper-smaller-better products.
- Continuing pressures on profitability and productivity activated the pervasive movement toward downsizing, re-engineering and outsourcing. The result: a rush by many forward-looking executives to create market-sensitive organizations committed to total customer satisfaction.

For a successful marketing today, it is important to be better, fast and innovative than the competitors. However firms operating in the new world markets will increasingly be at a serious strategic disadvantage if they are unable to firmly control their worldwide operations and manage them in a globally coordinated manner (Blake and Janrenpsa, 1991). One of the main tools that can be used for global coordination and control is information technology.

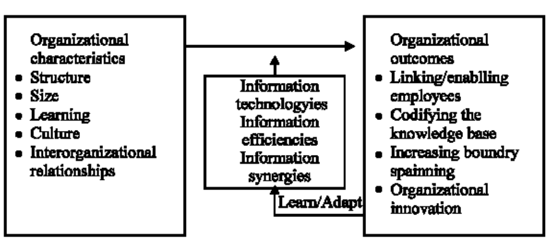
In the 1980s, with the global competition further intensifying, technology became one of the most critical factors of competitiveness (Prasada, 1997). Information Technology (IT) which has become the major facilitator of business activities in the world today is a catalyst of fundamental change in the structure, operation and management of firms due to capacity can be used to reduce costs, create stronger linkages with customers, innovate and facilitate niche marketing (Adli and Busler, 2006).

The power of information technology in particular provides the opportunity for new and innovative ways of organizing, enabling organizational work to be performed in ways which are not possible manually (Joe, 1999). IT is a powerful enabling factor for capturing the organizational knowledge and sharing it internally and for accessing others' knowledge externally (David and Lin, 2002). The role of IT in organizations can be shown on the Fig. 1:

Dana and his colleagues introduced the new terminology 'Internetisation' referring to the process of adoption and diffusion of e-business systems and Internet technologies by innovative entrepreneurs in the emerging IT based economy as the synonym to the word 'Internationalization' in the traditional economy (Adli and Busler, 2006). The benefits of information technology on a global scale are stated by Blake and Janrenpsa (1991) as follows:

- Global information technology offer firms an opportunity to increase control and enhance coordination, while opening access to new global markets and businesses.
- Investments in IT can give firms a basis for increased coordination and control or can provide direct competitive advantage in world markets.
- Information technology on a global scale compresses time and space and permits the duplication and sharing of scarce corporate expertise. Such capabilities provide firms with an opportunity to leverage advantages in both market size and geographical scope while they simultaneously provide the means to respond rapidly to the unique requirements of national markets.

It is a fact that the diffusion of technology and the convergence of technologies will continue to play a key role in accelerating the globalization process so talent



Source: Dewett and Gareth (2001)

Fig. 1: The role of IT in the organization

needs to be developed in order to gain benefits from globalization and diffusion of technology and at the same time these 2 forces necessitate a talent development strategy for the organizations that want to gain and sustain competitive advantage (Sultan, 2002). The emergence of the twin forces of globalization and the technology revolution has resulted in the redefinition and reshaping of our human society in every possible way where this change calls for the ability to be open-minded, flexible, innovative and proactive and to maintain steadfastness in the face of a crisis and if organizations want to have an edge in the increasingly competitive business environment, they should consider paying more attention to these qualities when recruiting, training, retaining and mentoring staff (Shirley, 2002). Thus, human factor is much more important than ever and organizations now set a high value of the employees. In this frame, concepts like coaching and empowerment aiming employees who may take initiative are introduced. Human Resources Management (HRM) targeting to realize the value of staff's qualifications at an optimum level also targets the employees' retainment and for this reason like TQM which gives full weight to customer satisfaction, HRM considers the satisfaction of employees. Thus the organizations built an organizational culture based on the mutual satisfaction of both the employers and employees.

The way the management chooses to encourage the development of resources and capabilities is implemented through individual and collective learning processes (Mercedes and Vañó, 2002). In order to educate qualified employees who can accommodate with the changing and diversifying flexible and multi-cultural organizational structures and most important with the rapid technological improvement, the concept of life long learning is adopted. Along with individual learning, organizational learning is another necessity of the knowledge-based economy.

Strengthening the organization's competences requires constant renewal while a leverage of those competences is achieved, a competence leverage that is compatible with the concept of organizational learning (Mercedes and Vañó, 2002). Organizational learning, which is a key source of new knowledge that could be used to develop organizational capabilities, is important for the creation and exploitation of the knowledge necessary for product, process and organizational innovation and it is at the heart of the strategic renewal process that enables the firm to adapt and respond to challenges in its new markets (Gregory *et al*., 2003). The concept is defined as the process by which organization's members develop shared knowledge (technological, managerial, cultural, etc.) based on their own past experience and that of others (Shmuel *et al*., 2002). Whether it is acquisitive or experimental or if it is based on adaptation or generation, organizational learning helps to organize knowledge and routines, to adapt and develop organizational efficiency and to improve the use of the firm's capabilities.

Along with learning, innovating is also essential for survival in fast-changing and competitive environments. Modern organizations are under ever increasing competitive pressure to maintain market share, enhance product range, improve efficiency and reduce cost. The process by which organizations attain these improvements is through innovation (Flynn, 2003). Innovation can be defined as 'ideas, formulas, programmes or technologies, which the organization in question regards as new' or as 'a core process concerned with renewing what the organization offers and optimizing the way it generates and delivers its output (Jenssen and Jorgensen, 2004; Flynn, 2003).

The ability of an organization to grow is dependent upon its ability to generate new ideas and to exploit them effectively for their long-term benefit of the organization, that's why much attention has been focused on managing the process of exploiting these ideas and progressing them into innovations (Flynn, 2003). Unless managers continuously look for ways to change or at least improve offerings (product/service innovation) or create and deliver those offerings (process innovation), organizations risk becoming increasingly vulnerable to hostile and turbulent environments therefore, growing attention has been paid to the challenge of innovation management in trying to understand the generic and firm-specific issues surrounding the problem of dealing with this challenge (David *et al*., 2003). Critical factors for innovative success can be shown on the Fig. 2:

The innovation process has intensified as a result of the application of new digital technologies that simulate, model and integrate, intensify the innovation process through facilitating economy of effort and definiteness of aim (Mark *et al*., 2002). Some of the analytical lenses developed to examine innovation are Databases and Data-Mining, Computer Aided Engineering and Design, Computer Integrated Manufacture and Production. Nevertheless, human factor is important for successful innovation. Organizations need innovation leaders whose primary duty is to deliver a continuous stream of profitable innovations over time, by harnessing internal and external resources and are individuals who (Alan, 2000):

- Take the lead in innovative activities or are accepted as being the key authorities where matters relating to innovation are concerned.
- Are first to introduce particular innovations.
- Consistently drive innovation and have acknowledged records of achievement through innovation.
- Set trends in markets and industries and are acknowledged to operate at the forefront of innovation practice.

It is unquestionable that the changing pattern of global competition, coupled with rapid technological changes leading to the shortening of product life cycles, placed innovation as a key source of competitive strength (Prasada, 1997). But it is also unquestionable that innovation or one of the models or methods mentioned above is not the only way or is not enough alone for success in global scaled businesses. Anyway, many other concepts and approaches along with the ones mentioned previously are developed for organizational success like re-engineering which is about rethinking the business processes and designing them radically; benchmarking, based on analyzing the sector thus determining the best practices, comparing them with the organization's practices and implementing the necessary improvements depends on constant research and learning and synergy which indicates the situation in which 2 or more discrete agents acting together create an effect greater than that the sum of individual agents' separate effects.

Consequently, this study was aimed to introduce some of the new management styles briefly and provide a general survey to the effects of globalization on organizations. Like the findings of the previous researches, this study has proved us again that the globalization affects every aspect of our lives not excluding the management. As it was discussed above, its impacts could be clearly seen on the modification and diversification of management approaches. Many new management approaches explained in this study, are the reactions of global or local firms to the daily changing conditions of the global markets. This result also implies us that as long as the globalization process continues, the management concepts and rules would be changed. The proper applications or methods for today would be inappropriate tomorrow. That's why the organizations must keep the pace and be open and proactive to the environment.

Researchers working on the effects of the globalization on management approaches should concentrate on not only the management styles of the firms but also the social, economical and political influences of globalization on countries and organizations in order to analyze the changeful nature of management.

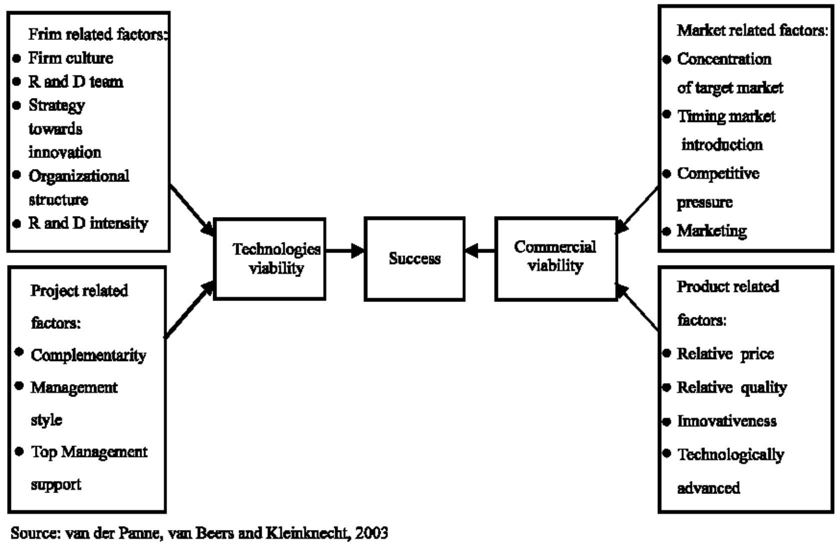


Fig. 2: Critical factors for innovative success

Besides the further researches should not try to consider hundreds of new management concepts but should apprehend the core of the evolution.

CONCLUSION

Changes in politics, economy, technologies and social life that has brought by globalization process have made businesses and management more complicated so every possible way for success must be thought. Therefore, many new concepts and approaches are introduced in the science of management so far and will be introduced in future.

Organizational processes, management styles, human factor and every other aspect like production, sales, marketing and distribution have to be re-considered for an organization which can easily adopt the quickly changing world. New management models and methods that help managers in this tough journey, like the ones discussed in this study, are useful tools to cope with global competitive environment. But many ideas come and go therefore, it must be kept in mind that every organization is different and each organization has its own characteristics that influence effective ma nagement so managers must understand their organizations thoroughly.

Some of the key concepts of the new management approach are discussed in this study, to give a general idea about the influences of globalization process on organizations and management. Further research may focus on developing new methods that can bring together the advantages and eliminate the disadvantages of the previously proposed concepts.

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