

# РАЗДЕЛ 1. ИНТЕГРИРОВАННЫЙ МЕНЕДЖМЕНТ

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## ORGANIZATIONAL CONCEPTS OF THE POST-INDUSTRIAL ERA COMPANY IN THE CONTEXT OF GLOBALISATION

**Summary** In the face of global competition a corporation is subject to pressure resulting from globalisation processes. Global competition gives a dominant position to world-scale corporations whose strategies provide for the cultural and market diversity they deal with in their operation in order to obtain economic benefits and competitive advantage. Currently, the perspective of international competition is perceived as a natural phase of development of every business. For a dozen or so years, we have been observing in management practice some changes concerning the principles of operation of modern companies. These changes are, to a large extent, a result of globalization of the economy and rapid development of information technologies. Modern management must enable a company to flexibly react to a change of operational conditions, to focus its attention on important problems and be mobile and enterprising in making risky decisions.

**Key words:** Post-industrial era company, virtual organization, knowledge, capital, globalisation.

The globalisation of economy gives new meaning to traditional economic categories. It brings about the necessity to give new, innovative interpretation to the economic phenomena mankind has dealt with from its earliest days. The same applies to the phenomenon of competition in the modern globalised world. The purpose of the present discussion is to explain how the perception of competition has changed and this will be done through the analysis of the main problems connected with it, i.e.: what competition is nowadays, what affects its power and what its role in the globalisation processes that we face is.

The post-industrial era company thoroughly undergoes a change of form. One of its fundamental features that decide on its ability to generate added value and gain competitive superiority is its ability to generate "intelligent innovations".

Key factors for the success of such an organization, often called an "intelligent organization", are knowledge and intellectual capital making up its extra-balance capital.

The intellectual capital may be defined as the sum of knowledge possessed by the people who constitute the company community and their ability to use this knowledge to the benefit of the company<sup>1</sup>. The non-material nature of this capital makes its identification difficult, but the difficulties may be limited through isolating its internal components, such as:

- Human capital, i.e. people permanently connected with the company and its mission, characterized by an ability to cooperate, creativity and proper qualifications, who are additionally integrated through motivation, competence and ability.
- Organizational capital, including innovational and developmental potential, internal structure and market position of the company along with its external connections.
- Social capital, consisting of interpersonal relations, cognitive capital and structural capital<sup>2</sup>.
- Presently, in publications on management, increasingly more articles appear presenting modern, pro-effective organizational concepts of companies in the form of an intelligent organization,

<sup>1</sup> Jaki A. Kapitał intelektualny jako składnik przedsiębiorstwa, /in/: Zarządzanie wiedzą a procesy restrukturyzacji i rozwoju przedsiębiorstwa, [collective paper] edited by R. Borowiecki, Kraków 2000.

<sup>2</sup> Bratnicki M.: Spożyczenie na kapitał intelektualny z punktu widzenia wartości przedsiębiorstwa, /in/: Przedsiębiorstwo na rynku kapitalowym, [collective paper] edited by J. Duraj, Uniwersytet Łódzki, Łódź: Spala 1999, p.23

learning organization and virtual organization<sup>1</sup>. Their common feature is the dominant role of intellectual capital and knowledge.

The learning organization can be regarded as an archetype, or an earlier stage of development of the intelligent organization. In the literature, we can find three different views on learning organizations. The first of these views assumes that the organization as a whole cannot learn, only its members learn. Knowledge of the organization is just the sum of knowledge of its members. If the members leave the organization, it loses the acquired knowledge. The second of the presented views assumes that the organization, as a team of people, can learn and store the knowledge that is acquired. According to this view, knowledge of the organization is something more than the knowledge of its members. That is why the departure of an employee diminishes the company knowledge to less than proportional a degree. However, supporters of the third view question the existence of the learning organization, regarding this concept as contradictory and meaningless<sup>2</sup>.

For the purpose of this article it has been assumed that both the organization members and the organization itself can learn, create and store knowledge. According to the above assumption, the learning organization is an organization that supports learning of all its members (individual, team and organizational learning) and constantly evolves. Learning as a process leading to a modification of behaviour of individuals implies the existence of a memory that is capable of creating and storing consequences of previous actions, emotions and reactions. The learning of an organization is a process of improving its operation thanks to a higher knowledge of its employees and their deeper understanding of the principles and aims of the organization functioning. P. Senge claims that the heart of a learning organization is a change of the manner of thinking; "a transition from perceiving oneself as an entity separated from the world to unity with the world; from perceiving problems as created by somebody or something different to the perception that our actions create the problems that we experience"<sup>3</sup>.

A learning organization is an organization that utilizes knowledge. It is characterized by:

- Open information system consisting in stimulating direct communication, fast acquisition and processing of information, among others, thanks to a wide use of information techniques and technologies.
- Constructive confrontation based on the challenging of assumptions, values and actions, creation of information chaos, granting the right to experiment and make mistakes and therefore being conducive to taking risks.
- Collective learning enabling the use of many sources of knowledge, accumulation and dissemination of knowledge and its effective internalization, encouraging a gaining of knowledge and facilitating learning.
- Specific organizational culture directed towards treating information and knowledge as a common property, based on an openness of the organization members to new people and new concepts, their readiness for cooperation and sharing information in aspiration for obtaining better results by the organization<sup>4</sup>.

An intelligent organization should be treated as a higher form of the learning organization, which is a result of the implementation and fully mastered execution of organizational learning. It is the learning organization that has reached its perfect state. It has acquired the ability to generate and select information from its own experience and observation of the experience of others. At the same time, it

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<sup>1</sup> Mikula B., Pietruszka-Ortyl A., Potocki A.: Zarządzanie przedsiębiorstwem XXI wieku. Difin Warszawa 2002.

<sup>2</sup> J. Niemczyk: Organizacja ucząca się. /in/: Zarządzanie przedsiębiorstwem przyszłości. Koncepcje, modele, metody. [collective paper] edited by K. Perechuda. Agencja Wydawnicza Placet, Warszawa 2000, p.77.

<sup>3</sup> Senge P.M.: Piąta dyscyplina. Dom Wydawniczy ABC, Warszawa 1998, p.25.

<sup>4</sup> J. Niemczyk: Organizacja... op.cit., p.80-81

is capable of transforming the information into professional knowledge and using it for effective realization of its goals.

A modern company increasingly more often functions in a network of various connections that are difficult to identify and the power of their influence on the economic activity of the organization is not known. It causes a fading away of boundaries between the company and its environment. Modern information technology favours a transformation of organizations into networks. Networks are, in fact, systems of mutual intra- and inter-organizational relations. An organization network structure appears to us as a set of communication points. Companies must adapt their structures to the nature of the environment that changes, creating a knowledge-based economy. In this situation, the role of services, investments in non-material factors and employment in "knowledge-absorptive" lines increases. Due to the non-material nature of the network structure connecting potentials of knowledge, companies take up the form of virtual generators of added value for the company members and subjects of the market environment.

The virtual company does not have many permanent features. As a result, at a given moment it may be perceived in various ways or even be invisible. That is why defining the virtual company is possible through taking into consideration the context of its operation.

K. Perechuda<sup>1</sup> defined the virtual organization as an organization that optimizes playing on non-material resources (know-how, intellectual capital, etc.). According to the information approach, the virtual organization is a company that executes a transaction via the Internet. The virtual organization is an artificial body based on individual key competences and integrating independent companies along the common chain of added value. It is a "temporary network of independent companies: suppliers, customers and even ex-competitors who are now connected by means of information technology in order to share abilities and the cost of access to new markets"<sup>2</sup>.

The concept of the virtual company is based on the assumption that it is possible to create new value without involving employers and employees in this process. In this context, the virtual organization is identified with independent economic entities integrated by means of an information network. The internal structure of the virtual organization understood in this way is identical to the enterprise executed and external customers contact the company and purchase through electronic means<sup>3</sup>. So that future virtual companies could come into being and operate, information and organizational integration is necessary, encompassing three planes:

- Standardization of methods and techniques of creating resources in the electronic form
- Standardization and general regulation of gathering, resources exchange and data management
- Establishment of principles of interactive communication and mutual co dependence of cooperating entities<sup>4</sup>.

The virtual company is an element of so-called internet business and generates value thanks to its participation in the network of connections of various economic entities. The peculiar character of the operation of a company in the virtual form is a result of:

- Possibility of cost reduction
- Process quality optimization
- Reduction of the time of duration of economic processes

The virtual organization is the form of company that has a great potential for development.

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<sup>1</sup> K. Perechuda: Organizacja wirtualna. Ossolineum Wrocław 1997.

<sup>2</sup> W. Davidow, M. Malone: The Virtual Corporation, Harper Business, New York 1999

<sup>3</sup> P. Bula, J. Fudaliński: Przedsiębiorstwo i organizacja wirtualna jako przyszłościowy model działalności. SGH Warszawa 1999

<sup>4</sup> Z. Kierzkowski: Synteza systemów komunikacyjno-informacyjnych organizacji wirtualnych; Instytut Edukacji Interaktywnej estakada.pl

Conducive to this will be the further dynamic development of information technologies. However, it is not entirely possible to replace direct interpersonal contact with virtual connections. The condition for the proper cooperation and building of confidence are, and will be, direct contacts, thanks to which it is possible to establish natural relations between the company members and entities in the environment. That is why, despite the radical changes, they will constitute an essential element of business in the future as well.

The presented organizational concepts of modern companies are an attempt to adapt to radical changes in the environmental conditions. Conducting their comparative analysis, it is possible to find some common features that differentiate them from the traditional organizational models, namely: leanness (in the sense of "slimming" as a result of outsourcing, lean production, lean management, divesting), flexibility, intelligence, cooperativeness (cooperating, not competing company)<sup>1</sup>. In Table 1, a detailed review of basic differences between the management concepts characteristic to industrial and post-industrial era companies can be found.

**Table 1: Differences between the management concepts of industrial and post-industrial era companies**

Feature	Industrial era company	Post-industrial era company
Organizational forms	Permanent, structuralized	High changeability dynamics
Organization boundaries	Clear and distinct	Blurred
Organizational structure	Traditional, concentrated on company functions	Network of cooperatively connected self-governing entities, concentrated on processes
Culture	Conducive to avoiding uncertainty	High uncertainty tolerance
Strategy	Passive or reactive	
Authority relations	Stable, hierarchic, based on emotional aspects of the executive authority	Authority system instability
Employee dependence	High dependence from the superior	Significant autonomy backed up with professional knowledge
Interpersonal relationships	Stable, feeling of belonging	High mobility due to rotation, harmony in cooperation
Approach to uncertainty	Untypical events treated as threats	Untypical events treated as opportunities
Predominant communication	Vertical, formalized	Horizontal, informal
Participation in the group	Permanent	Temporary
Predominant type of personal identity	Group identity	Individual identity
Management	Function-guided	Process-guided

Source: author's research based on Mikula B., Pietruszka-Ortyl A., Potocki A.: *Zarządzanie przedsiębiorstwem...* op. cit., p.33-34

Generalizing the differences presented in Table 1, it is possible to point out the essential directions of changes in modern company management concepts:

- Concentration on key competences
- Frequent changes and differences in market behaviour
- Gathering non-material resources, their development and protection
- Looking for personal and competence reinforcements in cooperation with the environment.

An effective functioning of the post-industrial company is to a large degree determined by the use of technological changes that particularly concern biotechnology, genetics, material engineering and

<sup>1</sup> M. Romanowska: *Kształtowanie wartości firmy w oparciu o kapitał intelektualny /in/: System informacji strategicznej Wywiad gospodarczy a konkurencyjność przedsiębiorstwa. Difin, Warszawa 2001, p.306*

information technology. The basic sources of competitive superiority of these companies is the speed in making new products, big financial accumulation, use of global marketing, use of the high speed management methods, characterized by innovativeness, adaptability, flexibility and speed of operation<sup>1</sup>. A meeting of such requirements can be guaranteed by companies using modern organizational concepts: those of learning, intelligent and virtual organization. In such organizations, an important role is played by "flattened" organizational structures, changed hierarchy systems and creating career models based on the idea of leadership.

In this day and age globalisation is the most dynamically developing phenomenon. It is difficult to define it in a univocal way due to its features such as multi-dimensionality, complexity and its multi-faceted and multi-levelled nature.<sup>2</sup> As a result, globalisation is analysed as a feature of other processes and subjects of analysis and consequently the analysis of the phenomenon is narrowed down to a limited area of observation.

The most general definition of globalisation may be to describe it as a process, which is created by phenomena or activities on a world scale.<sup>3</sup> Regardless of the methodological basis presented which defines globalisation as the highest level of internationalisation of business operation or an entirely new phenomenon characteristic of the last 25 years, globalisation occurs in the six most important areas:

- finance,
- markets and strategies,
- technologies, research and development and know-how,
- culture and especially lifestyle and models of consumption,
- management and legal regulations,
- globalisation as a political standardisation of the world.<sup>4</sup>

From the point of view of the influence of globalisation on corporation management, and especially on the shape of its strategy, globalisation may be analysed in the following dimensions: global competition, mega concentration of property and capital, cooperation between corporations on a world scale, new innovative policy, management based on knowledge and intellectual capital as well as advanced information technologies. The above-mentioned dimensions of globalisation are complex processes characterised by endogenous dynamics. Moreover, the specified processes take place simultaneously and interact owing to which their influence on a corporation's strategy may be both stimulating and limited. It depends to a great extent on the perception of the phenomena taking place in the turbulent and discontinuous surroundings as well as the ability to create those phenomena in advance.

With respect to a corporation's strategy, globalisation means corporation management in a global environment. Such management is oriented towards world markets and is based on global production factors. Economic and civilisational development results in the obliteration of state boundaries for the flow of products, services, capital, people, information and ideas. This has led to the emergence of global competition, which brings new threats, but also makes it possible to gain competitive advantage and consequently, increase the value of a corporation.

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<sup>1</sup> W.M. Gruzewski, I.K. Hajduk: Wpływ rozwoju technologii na przedsiębiorstwo przyszłości, /in/: Przedsiębiorstwo przyszłości, Difin, Warszawa 2001, p. 71.

<sup>2</sup> K. Zaorska: Ku globalizacji. PWN Warszawa 2000, pp. 14-21.

<sup>3</sup> A.K. Sundram, J.S. Black: The International Business Environment. Text and Cases. Prentice-Hall, Englewood Cliffs 1995, p. 5

<sup>4</sup> G. Gierszewska, B. Wawrzyniak: Globalizacja. Wyzwania dla zarządzania strategicznego. Poltext, Warszawa 2001, p. 20