

DENGYIs Disruptive Management thought Process Codification Overdue?

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Abstract—Many have started to realise the difference between change and intense change, also known as disruptive change. Management thoughts address change process but not the intense change concept. There is confusion in understanding the two concepts. This has resulted in systemic failures in managing resources at Global level. This paper investigated the environment of intense change to study whether there is a need for developing a diagnostic tool to help managers deal with it. The secondary research, empirical evidence and online survey indicates that there is a need for disruptive management thought. More research, discussions, collaborative and supportive environment is needed to confirm the first step before going to the next. The preliminary findings confirms the aim, but more investigation is necessary to reinforce the confirmation of the finding of this paper.

Index Terms—Disruptive; Management; Change Management; Codification; Knowledge; Global; failures; process; reinvent; rationality; ESPN; Amazon, Google; NYT; collaborations.

I. INTRODUCTION

The disruptive technology is challenging the very core and principles of ways to conduct a business and manage the organisation. The whole concept of management is shaking by a high magnitude of technological earthquakes. Some see it coming while others are too busy in their past cocoon of achievements to notice the change until it is too late. Is the technology moving too fast or is it the management thoughts, which are too slow to change with times to the fast changing disruptive environment? This is the key question, whether they have role in contributing to the technological disruptions to make the organisations and planet sustainable.

II. RESEARCH HYPOTHESIS

The hypothesis for the research question is that the investigation will confirm need to codify disruptive management concepts. This will positively lead to development of codification for better management and performance of organisations.

III. AIM

The aim of this research paper is to investigate whether there is a need for a paradigm shift in the current management thought process. The current management concepts are becoming less effective in the face of rapidly changing disruptive technology. The current managing change concept focus is more for internal management and makes managers feel helpless in highly risky and unpredictable external environment. The key management functions of planning, leading, organising and control are gradually proving less effective and need better process for competitive edge. The bigger corporates when pushed into the dinosaur territory by the external environment are rapidly evolving with the agility of a jaguar. The business conditions are so erratic and dynamic these days that people who move against the tide or ignore the oncoming disruptive change do it at their own risk sweeping away in the winds of change.

The aim of investigation is to explore whether it is time for developing the disruptive management process to give a nudge to managers. Therefore, the aim of the investigation is to help managers to deal with disruptive situations in a logical and rational manner. The first step is to determine if there is a need for disruptive management thought. The second step would be to review the current management concepts if the problem in step one is confirmed. The third and final step would be to develop the disruptive management concept and process to help managers deal with the current and future disruptive environment to prevent the violent cycles of disruptions, which are leading to corporate meltdown. The main aim of the investigation is to confirm the problem in step one. The investigation should lead to the confirmation that there is a need for a codified disruptive thought process in the absence of which there will be degradation of managerial capabilities and corporate standards.

The investigation directs research to understand whether existing concepts are becoming obsolete and there is an urgent need to deal with fast changing disruptive environment. The need for new direction is what this presentation wants to explore and confirm. The headway made develops a new thinking tool for managers to deal with disruptions in managing organisations.

The investigation will dwell on this issue and collect facts from various primary and secondary sources to understand the problem and arrive at the decision whether there is a need to develop disruptive management thought process.

IV. THEORETICAL BACKGROUND

This section attempts to collect information from various secondary sources with a focus on the evolving external environment. Ian Smith titled one of the interesting article on disruptive thought titled "Leading change: Knowledge for success". Ian's profile reveals that he has positively disrupted his career from starting as a librarian to human resources manager to change manager and finally as an independent consultant. The message is very clear "Reinvent or disappear". Hence, there are strong reasons that change when handled well would for no reason lead to failure. Ian Smith has quoted the statistics of Kotter, which states that nearly 70% of organisational change initiatives fail due to ineffectiveness of managers to make change and not due to other factors, which are merely excuses to side-line or duck the problem (O.Connor, 2015) [1].

As can be observed from the research by Ian Smith, it is appreciable that he is making a valid point about need for change. One thing, which he has missed, however is the cause of failure. It could not just be the organisational change happening in the environment but a positive disruptive change, which is unavoidable. This has been aptly described as "Gales of creative destruction which sweeps through industries, sinking the weak and outdated" (King & Baartogtokh, 2015) [2]. This type of change is quite intense than a normal change which has been happening in the past. In my opinion, if the normal change can result in 70% failure due to ineffective steps of the management then one cannot imagine what will be the status quo when disruptive change happens. There is lot of literature and training available on managing organisational change but not much research is done on disruptive management thought, which is the gap caused by stagnation in no new development of the management concepts. On the other hand, the changes in the external environment is taking place at a galloping speed creating a dangerous strategic gap between internal and external environmental pressure. This calls for a formulation of strategy for disruptive management thought as a necessity and not an option. If this does not happen then Managers would soon find difficulty to comprehend the external environment. There are many indications of it in the form of global failures of organisations, conflicts and terrorism, global warming and looming unemployment in many sectors.

The biggest problem could be the looming unemployment due to disruptive technologies leading to a tsunami like unemployment situation. Many of the managers may not even be aware of this and may be planning their future within their bounded rationality. The article by MacDonald, Cheyenne 2016 titled "Will Robot take your job?", conducts research into the future of manager's career and states the disruptive robot

technology in future will affect at least 60% of the jobs. Their research based on the report of McKinsey and Company, seems to be quiet an extensive research. Some managers all over the world may not even notice it until it is too late for them to do anything. Some will notice it but will not have any clue what to do to manage it. The manager facing the situation may not be addressing the disruptive problem but using the traditional tool of change management, which will not only be ineffective but also lead to wrong results or failure. There is a need for management experts and related professionals to collaborate and upgrade the management profession to match it with the disruptive environment in current times.

Another brilliant article by Art Kleiner titled "The discipline of Managing disruption" is based on an interview with Harvard Business School professor and author Clayton Christensen in 2013. This is the second interview which took place after 16 years of Clayton publishing an article in 1997 in Harvard Business Review titled "The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail". This appears to be earliest attempt by someone recognising the disruption and putting it in some form of theoretical format. It was just a ripple and the steam soon died to merge with the concept of organisational change. Soon thereafter unfortunately, Clayton seems to have gone into a deeper and bigger philosophy "What is life for?" bypassing the disruptive management thought trajectory. Had Clayton pursued the concept of disruption in the managerial mindset, the scene would have been different on the academic horizon of management thought. Neither he pursued the matter nor did he leave the baton for someone else to take over and move forward. Hence, today's management thinkers may have to start all over again or continue from where he left the concept hanging. Change management process is proving to be ineffective in the "Internet of things" world. A stronger and relevant tool is required. .

One of the profound statements of Clayton based on his observation reveals a disturbing trend in the business research area. He states that the impact of a journal article published with enthusiasm withers off before it can turn into a theoretical concept for future managers to follow (Kleiner, 2013) [3]. Had he continued with the disruptive concepts, issues in the corporate world would have been in a much positive shape.

Lately, there has been lot of research taking place in the field of marketing disruptions unlike in the Management field. The article by Geoffrey Colon titled "ESPN is Another Lesson for business that nothing is permanent" is a revelation for managers, entrepreneurs and leaders in the field to wake up before the current skills of the managers become obsolete rendering them redundant resulting in acute skill shortage for all levels of managers and business leaders. The example of New York Times (NYT) is great piece on disruption. In 1990's NYT was a mammoth organisation and the newspaper weighed 10 pounds. It kept becoming lighter and lighter. By the year 2000 Yahoo, Google and Craigslist disrupted the idea of information. The management of NYT failed to see it coming. Another case is of the CD industry,

which came and disrupted floppies and tape recorders but soon Napster disrupted it again. During that time, another small company by the name of Amazon was making history by selling books online. When it was launched no manager in most industries thought of it as a threat. The list of such cases is endless (Colon, 2017) [4]. The management of business shocks explained above, is a choice to be made before and not after disruption by Managers (Sheffi, 2005) [5]. If the choice is to be optimum the concepts need to be codified for reference of Managers.

There are many ways to collect relevant data for making primary research decision. Some of the options were interviews, surveys, observation and other techniques. However, the most credible information is the one, which a person has gained from direct personal experience (JSU, 2002) [6]. This is empirical source of first-hand information. The second research methodology applied was online survey. The factors considered for survey was to target participants who have some exposure to managerial working. Secondly, the concept of disruptive management thought process being a virgin territory, participants from diversified field and ethnic background would be desirable option for wider viewpoint. The target sample was selected based on this criteria. The findings are explained below:

A. Empirical Observation

My family suffered several disruptions in their business. My father started as an accountant for a corporate which went down under due to disruptions in electrical appliances few decades ago. This led to collaborations with other specialists into start-ups such as mechanical contractors in power stations and industrial machineries. The technology disruptions came faster than they could handle and forced the business to go down under. This led to newer start-ups with fresh collaborative efforts into new trend of those times such as manufacturing for famous brand names. This too was short lived as the frequent technological disruptions forced my father into retirement.

The baton to deal with disruption came into my hands perforce. At first, I dealt with disruption in education, ending up upscaling with a wide spectrum of qualifications and skills. The next round of disruption took place in the career phase. It was like dancing with the sand dunes. My career moved with the changing pattern of the corporate world and its peculiar cyclical trends. There were changes from oil refining machine industry to abrasive industry and then hopping to steel manufacturing sector. As the manufacturing phase was saturating, the opportunities moved to the non-manufacturing sectors. The career swayed with the disruptive waves and landed me into the housing finance industry growing recklessly faster than wild weeds. This was short lived and the opportunities shifted to the non-banking financial sector. This took the career into secondary money markets, stock trading and Initial Public Offerings arena until there was an intense disruption through a very horrifying global recession. The career shifts were intense and of global scale. The

disruptive intensity created patterns, which made me to move from country of birth to new pastures in a newly adopted country. The education sector was the new growth career. Within the education sector too there have been disruptions making me to take to writing. The patterns are always changing. The disruptive skills become handy for survival. The best thing about it was that I survived to tell my story. Many did not.

The empirical evidence over two generations exhibit a clear pattern of movement in intensity of change in external environment. Firstly, the regularity of change is visible. Secondly, the speed of change cycle is intensifying. The current management process does not match high intensity of change leaving room for managing by chance and leading to high rate of failure.

In hindsight, managing uncertainties and risks would have been easier had newer concepts and theories been available to managers. It could have saved the career of many promising and potentially competent managers. For many, disruptive environment became a reference point to learn from those stuck in the storm and ending in divorces, health issues, bankruptcies and suicides. This could have been minimised had there been some kind of codified diagnostic management tool to set up systems to detect trends and patterns for better decision making. This research investigation is for those who sacrificed their precious time and life so that others in future may not suffer the same fate. I owe to all these silent heroes a duty to investigate the need for a disruptive tool for managers and taking the concept forward for codification in the near future.

B. Findings of Online Survey

The focus of the first survey question was to find out if the participants had exposure to work as manager during their career. The rest of the ten questions laid emphasis various dimensions of disruptions the participants were familiar with. Some of the questions related to awareness of disruptions through career, creation of opportunities and failure of well established companies. The rest of the questions were about possibility of preventing disruptions and need for a process to manage disruption.

The online sample size was 50 of which 13 (26%) participants responded. Fig. 1 shows almost 61.5% experienced disruptions in their career. 84.6% of the participants felt that disruptions created opportunities for unknown new start-ups, but also could cause obstruction for big established players threatening their survival.

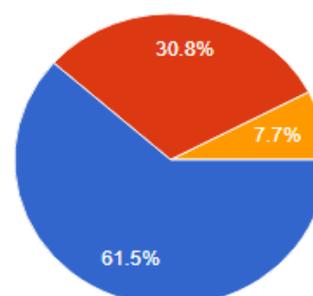


Figure 1. Disruption in career

Fig. 2 indicates almost 46.2% of participants were not aware that failures in disruptive technologies was preventable with development of proper management concepts. 15.4% believed that failures were not preventable. Only 38.5% felt that failures are preventable with proper managerial concepts.

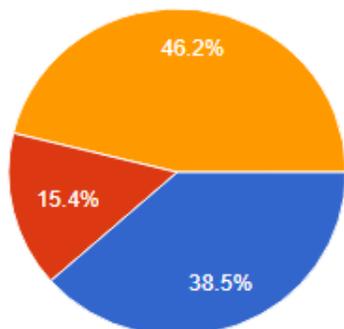


Figure 2 Prevention of disruptive failures

69.2% believed that managers could be trained in disruptive skills. Fig. 3 reflects 53.8% felt the need to develop disruptive management process, which could minimise the helplessness of managers to deal with volatile and intensely dynamic external environment

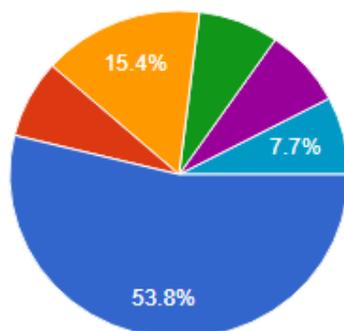


Figure 3 Need for disruptive management process

The results of the online survey, finds that most people did have disruption in their career. Many are not sure or aware that the disruptive failures are manageable with right choice of management skills. However, as depicted in Fig. 4, 69.2% believe that managers could train in the area of disruptive management. This is dangerous perception and belief that managers could train in disruptions without a formal managerial tool and skill.

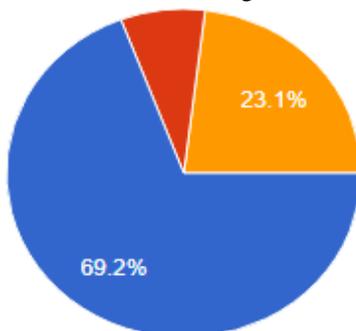


Figure 4. Training managers in disruption

In addition, 53.8% of people believe that a disruptive management process to deal with external environment will improve competitive advantage. The need for a disruptive process is positive from above findings.

V. CONCLUSION

To conclude the discussion, the findings reveals a disturbing trend. The managers of today may be lacking the tool of detecting shifting undercurrents in the external environment. There may be an urgent need to understand the pattern of disruption and develop a process or system of managerial thoughts. The codification of it subsequently into a concept could equip leaders and managers in a formal manner to prescribe solution to organisations facing disruptions. In the free market system, disruptions could be healthy or destructive, depending on the choice made through Management Information Systems (MIS). In the absence of any codified disruptive thought process, MIS could be leading the decision makers to kill their healthy organisations instead of nurturing them. They may be trying to serve the chicken soup without the chicken. Their death is imminent unless the diagnostic tool develops for early detection. The disruptions are super bugs for many firms. A codified disruptive management thought concept is the anti-dote.

The first step in the right direction is to have more research, frequent discussions to reinforce the confirmation that “there is urgent need for disruptive management thought”. Once the goal is clear, finding the solution will be easy. At stake is the survival of humanity on this planet. The choice is between “living in peace” by minimising impact of disruption or “shredding each other to pieces”. As Alvin Toffler once said “Nobody knows the future with certainty. We can, however, identify ongoing patterns of change”.

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