

EVOLVING ROLE OF MANAGER IN THE CONTEXT OF A TRANSNATIONAL ORGANIZATION

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ABSTRACT

Organizations have often been personified and are deemed to have their own personalities and individual identities. In the early 1900s, they were considered as a literal manifestation of a human being with a “head” that thinks, and “hands” that do the work. This analogy implies that managers are the “heads” who shall do all the thinking and managing, while on the other hand, employees are the unthinking “hands,” who will be guided by a distant mind. This thought paradigm led to the emergence of the phrase “hired hands”. In the 1960s “humanists” focused their attention on the managerial styles in organizations. They advocated the participative, people-oriented style and criticized an autocratic, task-oriented style. The concept was further evolved by looking at not just “who” managers (innate traits) are but what they “do” (skills to do the job). This led to the emergence of “contingency theorists” who found that the role of the manager is contingent upon various factors and that there were more parallels than variances in their jobs. In the 1970s seminal work by Katz suggested that there is an ideal profile of a manager which varies across different hierarchy levels and one can train managers on skills across each of the levels [1]. At the same time, another seminal work by Henry Mintzberg gave more clarity on the various roles of managers and the skills required in each of them [2]. Gradually, as the economic landscape evolved, organizations transitioned from a single country to cross-border operations, and the role of the manager also transformed. In the 1990s researchers challenged the generic role of a manager as a “Russian doll” wherein across various hierarchical levels, the manager is similar but bigger than the manager below. They brought the concept of “value-add” for each managerial role and proposed the concept of “individualized corporation”—one that capitalizes on the idiosyncrasies and even the eccentricities of exceptional people by recognizing, developing, and applying their unique capabilities [3]. In the 2000s, various researchers contributed to the literature by bringing in a systems view, reinforcing the importance of interactions beyond direct hierarchy, and looking at global exposure as critical rather than desirable [4]. While others re-looked at the manager as a “concept” rather than a role in the knowledge economy [5]. This paper builds on the existing literature on the concept of a manager in a transnational organization with flat structure and knowledge workers. All employees in this context ‘self-manage’ and the role of the manager then becomes that of an ‘orchestrator’. It can be viewed as a continuum in the form of a spiral. Each point in the spiral represents a sphere of influence & impact the manager

can create depending on the role and the center represents business strategy, which acts as an anchor for all decisions.

Keywords: Manager, Evolving role, Transnational organization, Spiral model

INTRODUCTION

Rapid changes in the macroeconomic environment, evolving customer preferences, and technological disruptions have led to the emergence of businesses involved in cross-border operations. Oxford dictionary describes a transnational organization as a company that is controlled by its home country but has large operations in many different countries. At the end of World War II, economic activities started expanding across national borders. Gradually, these corporations started affecting societal matters and led to a rise in interest in the 1960s [6]. George W. Ball called these organizations “cosmocorps” and critiqued the narrow political boundaries of nation-states. He spoke about the shifting sands of power due to divergent political interests between national and subsidiary countries [7]. In the 1990s, there were different perspectives of various economists. While some said that transnational corporations are national corporations with international business activities, others projected that there would be no national corporations, products, industries, or technologies but only global economies in the future [8]. In 1990, Kenichi Ohmae stated: "In today's 'Interlinked Economy,' global corporations have effectively become nationality-less". By the early twenty-first century, the importance of transnational corporations versus nation-states as influential actors at the international level had emerged [9]. Over the last 2 decades, the world has seen enormous changes which have impacted the role of transnational corporations in a globalized society. This has been driven by denationalizing the parent entity rather than nationalizing local subsidiaries. The 2010s witnessed an epoch with not just larger and increasingly influential transnational corporations, but also their growing independence from a specific nation-state as their base location [6]. Thus, over the years transnational organizations have emerged as international organizations that transcend the idea of a nation-state.

This has led to the evolution of the role of managers in these transnational organizations. They need to continuously respond to questions such as restructuring, working with people from multicultural backgrounds and addressing cultural sensitivities, driving productivity and effective communication among remote groups, developing people, and operationalizing strategy in cross-border operations. These demands pose a new set of challenges and require managers to assess the context. Based on their sphere of influence, they “spiral out” their response while keeping the big picture of global strategy at the center. In doing so, they impact & influence multiple stakeholders depending on their level in the organization. Even small and medium-sized organizations

have started experiencing globalization [4]. Thus, the evolving role of a manager shared in this paper is a reality for a large number of firms.

CHANGING SPECTRUM OF MANAGER'S ROLE: LITERATURE REVIEW

Research on organization and management goes back thousands of years. However, at the end of the 19th century, systematic development of management emerged when large industrial organizations became popular. Management is a discursive area and a unitary approach is not sufficient to provide all the answers [10]. Thus, we need to study the evolution of management approaches in the context of emerging models of organization. In the early twentieth century, Frederick Taylor published the book 'The Principles of Scientific Management' which inspired a movement called Taylorism. The book encouraged employers to view employees as specialized and replaceable resources and the role of the manager was to plan, and workers were responsible for implementing those plans. Some of the other researchers such as Max Weber and Henri Fayol also suggested hierarchical, formal, and command & control-based roles of managers. On the other hand, around the same time, Mary P. Follett laid the foundation of the "humanist" approach to management with a focus on empowerment and facilitation. Up until the early 1950s, there were only a few remarkable approaches to management, such as human relations and a classical approach.

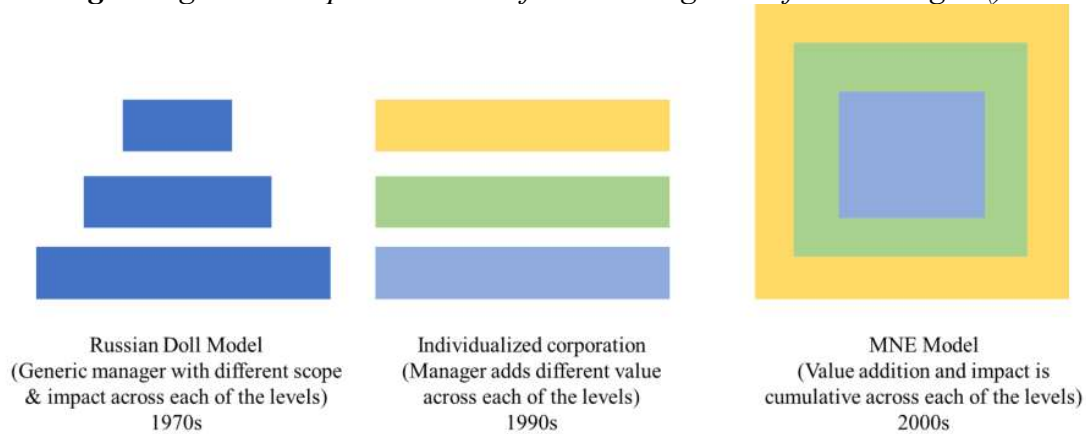
In the latter half of the twentieth century, various approaches emerged with different point-of-views around what is management, the theory of management, and how managerial events or work could be examined. Mintzberg shared that there has been too much focus on the two elementary styles – participative and autocratic. Also, a lack of understanding of interpersonal behaviors led to sluggish progress in determining factors that build successful leaders [2]. Thus, there was a need to look beyond just "who" managers (innate traits) are but what they "do" (skills to do the job). In 1974, seminal work by Katz highlighted three core skills on which the role of a manager is based: technical, human, and conceptual. Technical skills cover proficiency in processes, techniques, and procedures. Human skill has been defined as the capability to lead and work efficiently in a group. Conceptual skill is the ability to have an enterprise-level view and understand the interrelationship between functions and the organizational ecosystem of community, industry, and economy [1]. This approach highlights that a good administrator can be developed and the emphasis on each of the skills is different across different hierarchy levels. This led to multiple implications on HRM processes such as training & development, performance management, etc.

The rising complexity in the role of the manager led to the advent of situational or contingency theories of leadership. Contingency theory suggests that the 'environment' determines managerial work. Simply put, most of us behave unconsciously and implicitly in a contingent manner [11]. Later, Robert Pitts suggested that the direction of causality within contingency relationships is

bi-directional, with contextual variables influencing organizational variables and vice versa [12]. Later in 1997, seminal work by Bartlett & Ghoshal challenged the concept of generic manager – wherein all managers have similar roles and responsibilities across all levels, the only difference is in scope and size of activities [3]. They used a metaphor of a Russian doll i.e., at each hierarchical level, a manager is alike, just bigger than the manager who is below and proposed three levels of managers. Senior-level managers set direction and vision by articulating strategy and making strategic choices around resources; mid-level managers arbitrate information from one level above, process it, and then cascade it to the level below. Also, they manage the allocation of resources and are usually swamped by direction and control from above. Front-line managers take the role of implementation at an operational level. This classic view of hierarchy has limitations on speed and flexibility. In the global economy of transnational organizations with cross-national operations, flat structure and cross-functional teams supported empowerment. In this set-up, the role of managers evolved further to articulate “value” added at each level. Thus, the operating-level managers evolved as innovative entrepreneurs; middle-level managers as developmental coaches; and senior-level executives as organizational leaders. In nutshell, the concept of "the organization man" and “Russian Doll” model of nested managerial roles gave way to the concept of "individualized corporation”, which capitalizes on eccentricities and idiosyncrasies of extraordinary employees by attracting, developing, recognizing, and leveraging their exclusive competencies. This concept found its way in Varma, Budhwar, and DeNisi’s book - Performance Management System-A Global Perspective [13]. They proposed three levels of employee performance model in a Multinational Enterprise (MNE) along with factors that influence and constrain it. The evolution of the role of a manager has been captured in Table 1 and Figure 1.

Table 1. Tabular representation of the evolving role of manager from Literature

	1970s <i>Skills of an effective administrator [1]</i>	1990s <i>The Myth of the Generic Manager [3]</i>	2000s <i>Performance Management System-A Global Perspective [13]</i>
Level 1	Supervisory Level: Technical skills	Operating managers: From operational implementers to aggressive entrepreneurs	Process: Individual process choices and outcomes
Level 2	Middle managers: Human skills	Senior managers: From administrative controllers to supportive coaches	Organizational: Corporate culture, Strategy, Organizational design
Level 3	Top Managers: Strategic (conceptual) skills	Top managers: From resource allocators to institutional leaders	Global: National culture and structure

Fig. 1 Figurative representation of an evolving role of the manager ()

Source: Created by authors based on literature review

PROPOSED “SPIRAL MODEL” OF MANAGER AS AN ORCHESTRATOR

In today's era of transnational organizations, structures are becoming flat to cater to faster response to the market. Flexibility rather than hierarchy is transnational's motto [14]. Thus, the industrial era has evolved into the information age, which has led to a shift of scarce resources from the capital to knowledge. In this setting, an organization's tacit knowledge, strategic information, and know-how can potentially exist across any level. Although formal position and authority matter, people can contribute from any position by seeing a larger system rather than just the agenda at hand. This helps in building a shared understanding of complex problems enabling collaboration, constructive challenge, and influencing while working together for the health of the whole system rather than just pursuing symptomatic fixes to an individual piece. Also, this calls for knowledge workers, who manage themselves. Thus, the concept of a manager as one who has authority over employees and occupies a role, has further evolved into management as a process, in which everyone can engage. This is considering how responsibility and work have transformed [5]. In an age of empowerment, flat organization structures, and employee engagement all employees need to self-manage. This leads them to take more accountability and deliver impactful outcomes. The role of a manager then becomes that of an 'orchestrator'. The dictionary definition of orchestrator as per Collins dictionary is the one who carefully organizes an event or a situation in a way that will produce the desired result. Table 2 depicts the value addition at each of the three different levels of manager based on the spiral model of the manager as an orchestrator. This has also been depicted in a pictorial formal in Figure 2.

Table 2. Tabular representation of “Spiral model” of manager as an orchestrator

	Operating-level Managers	Senior-level Managers	Top-level Managers
Changing role	Aggressive entrepreneurs to “Experience Shapers”	Supportive coaches to “Culture Shapers”	Institutional leaders to “Industry Shapers”
Primary value added	Shaping the experience of customers (internal/ external) by delivering on commitments, building loyalty, and strengthening the company’s reputation	Shaping the culture of the organization by leading by example, walking the walk, and allowing people to be the best versions of themselves	Shaping the industry by devising a long-term strategy, making strategic investment choices, and influencing the ecosystem

Fig. 2 Figurative representation of “Spiral model” of manager as an orchestrator. Value and impact is cumulative on a continuous spectrum.



Source: Created by authors based on the proposed model

Universal pillars for great organizations can be identified across all sectors as all of them have been exposed to some factors demanding suitable conduct. Similarly, leaders in today’s era work in cross-sectorial business networks as they all are expected to deal with similar challenges of a global economy. Table 3 captures the knowledge, skills/abilities, and attitude/ traits of managers who orchestrate the ecosystem to create the desired impact across 3 levels –Industry Shapers (Top level), Culture Shapers (Middle level), and Experience Shapers (Operating level). The organization’s culture acts as a binding force that unites work values, behavioral expectations, and practices that guide and inform the actions of managers across levels. The idiosyncratic knowledge is a function of the role and career experiences that the manager has had. This allows managers to intensify the density of the impact i.e., more relevant experiences and knowledge will enable the manager to have a greater impact. The skills and

abilities of the managers vary across each of the levels; however, they are anchored strongly in the business strategy of the organization which acts as a north star for managers across all levels.

Table 3. KSAs of “Spiral model” of manager as an orchestrator

Role	Knowledge	Attitude/ Traits	Skills/ Abilities
“Industry Shapers” (Top level)	Specialist/ Generalist/ T- Shaped depending on role design & function	Organization Culture	<ul style="list-style-type: none"> • Articulate strategy to meet shareholder interests • Decide strategic investments in long-term/short-term areas • Sense & influence ecosystem organizations within & outside the industry • Ability to align people with the organization’s mission & purpose
“Culture Shapers” (Middle level)	Specialist/ Generalist/ T- Shaped depending on role design & function	Organization Culture	<ul style="list-style-type: none"> • Ensure end-to-end and cross-functional integration of services/offerings • Continuous improvement based on analytics & industry changes • Translate strategy & purpose to execution roadmap • Sense & influence ecosystem within organization & industry • Plan for current + Look at future • Ability to coach & empower people
“Experience Shapers” (Operating level)	Specialist/ Generalist/ T- Shaped depending on role design & function	Organization Culture	<ul style="list-style-type: none"> • Analyze customers' spoken and unspoken needs • Design and maintain services that enhance customer experience • Influence stakeholders within & outside function • Drive innovation and cost efficiencies • Ability to motivate & drive people

CONCLUSION

The research paper seeks to achieve its general objective of understanding the evolving role of the manager in the context of transnational organizations and provides a new theoretical model. In the context of rising transnational organizations and the knowledge economy, all employees are expected to self-manage themselves and hence the role of the manager then becomes that of an 'orchestrator'. The new model views the manager's role as a continuum in the form of a spiral. Each point of this spiral represents the sphere of influence & impact the manager can create depending on the role. The center represents business strategy, which acts as an anchor for all decisions. This new model adds to the current understanding of managerial roles. Future research can empirically test this model in the context of transnational organizations. There can be various hypotheses derived from the proposed model which can be studied in future research such as: Is the role of a manager in transnational organizations similar across various industries? Does the ability to create an impact increase progressively at operating, middle, and top manager levels? How is this dependent on the manager's knowledge? Does organization culture shape manager attitudes or do manager attitudes shape organization culture? What role does business strategy play in managerial decisions across different levels?

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