As the speed of knowledge generation and innovation has increased dramatically, organizations need to engage in external networks to optimize their business and develop activity. Management in the era of globalization has become a big challenge for the organizations. Prior research suggests and it has long been recognized that business management and its development competencies are very important factors for success and winning. As earlier studies have only tangentially touched the construct, our research focuses on analyzing the mastery of business management and its development in the era of globalization attention paying to management science of this issue.

Business management, globalization, partnering, competence, development.

Introduction

With the significant emergence of globalization, organisations from all sectors of the economy are increasingly bringing their forces together to achieve collaborative advantage and to remain competitive.

The search for the components of successful business management and development has a long history in the Anglo-Saxon economies. For obvious economic and business reasons organizations have always been concerned about the competence of their managers.

Today we are living in the era of globalization when the main resource of the development is not capital, human power or natural resources, but knowledge, in other words – intellectual capital. Such concepts as knowledge, competence, competitive advantage these days are very often discussed by the theorists and practicionaires. These resources are characterized as “exceptional competence”, “intangible resources”, “main competence“,”main skills”, “internal skills”, “the accumulation of skills”, “the managerial talent” and so on. Their place in management science and studies is at the top issues, but still not sufficient for the mastery of business management and it’s development.

The goal of this paper is to analyze the mastery of business management and its development in order to win in the era of globalization by showing the importance of some management science and studies issues.

Paper is structured as follows: first chapter discusses globalization issues and its tendencies, second chapter discusses the mastery of business management and its development for the winning of organization influenced by the globalization forces, third chapter provides the value of competences as ingredient for organization winning and its role in the management science. At the end of the paper conclusions, references and summary are presented.

The following research methods are used in this paper: analysis of scientific literature, authors work experience.
Globalization and It’s Tendencies

Today the most modern and dynamic industries are transnational in scope since they are the result of an integrated system of global trade and production influenced by globalization. By summarising conclusions of various authors on globalization issues (Chase-Dunn, 1989; Gelernter, 1995; Hirst, 1996; Prokopenko, 2000; Held, 2002; Nath, 2005), it can be defined in several different ways depending on the chosen level to focus on (Table 1).

Table 1. The Definition of Globalization by the Chosen Level of Analysis

<table>
<thead>
<tr>
<th>Level</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worldwide level</td>
<td>Globalization refers to the growing economic interdependence among countries as reflected in increasing cross-border flows of goods, services, capital and know how.</td>
</tr>
<tr>
<td>Level of a specific country</td>
<td>Globalization refers to the extent of the interlinkages between a country’s economy and the rest of the world.</td>
</tr>
<tr>
<td>Specific industry level</td>
<td>Globalization refers to the degree to which an organization’s competitive position within an industry in one country is interdependent with that in another country. Key indicators of the globalization of an industry are the extent of cross-border trade within the industry as a ratio of total worldwide production, the extent of cross-border investment as a ratio of total capital invested in the industry, and the proportion of industry revenue accounted for by organizations that compete in all major regions.</td>
</tr>
<tr>
<td>Specific organization level</td>
<td>Globalization refers to the extent to which an organization has expanded its revenue and asset base across countries and engages in cross-border flows of capital, goods and know how across subsidiaries. Key indicators of the globalization of a company are international dispersion of sales revenues and asset base, intra-organization trade in intermediate and finished goods, and intra-organization flows of technology.</td>
</tr>
</tbody>
</table>

Source: Based on Nath (2005)

In the context of globalization history, it is not a new phenomenon, and indeed, until the year 1913, trade was gradually free. It is therefore not surprising that some managers see current trends as a great threat while others view them as a challenge and an opportunity. Nath (2005) identifies four forces are behind the increase in global competition:

- changes in consumer expectations of quality, service and price are higher than ever and still increasing (at the same time, future consumer preferences are becoming extremely difficult to predict);
- technological change (new information technology allows many organizations to run their business in a way that was impossible yesterday and at a fraction of the price);
- deregulation (in recent years, the global trend – with the notable exception of environmental regulation – has been towards deregulation and less
government intervention; in newly, deregulated industries, competition has increased dramatically);

- regional forces (There are huge regional differences in cost structure and growth rates in the world, at the same time, politically motivated regional trade blocs, such as the European Union and the Association of South East Asian Nations are being formed.).

Globalization also poses tensions and dilemmas to countries integrated to the world economy. One tension of it is associated with the fact that in a more interdependent and inter-linked world economy any adverse global or regional shock is rapidly propagated to other economies (Nath, 2005). Another – lies in it’s social effects. As globalization is often associated with increased instability of output and employment, this affects job security. As labour income is the main source of earnings for the majority of population under capitalism, job insecurity is socially disruptive and brings tension to the fabric of society. In addition, flexibility in labour markets required to compete, successfully, in international markets, tends to erode long term work and personal relationships between organizations and employees, workers and managers that traditionally give a sense of security to people. Globalization also gives a premium to people with sophisticated skills, high levels of education and entrepreneurial traits. These are people better equipped to survive and succeed in the more competitive world brought by globalization.

In response to globalization, most organizations have adjusted quite rapidly to the new types of competition. The largest organizations have adopted strategies that are increasingly global, with two main objectives in mind: to improve profitability by reducing costs and to strengthen their technological capability organizations can either continue to internalize activities via mergers or acquisitions of other innovative organizations, or adopt an external approach and conclude co-operation and partnering agreements/alliances based on co-operation between independent organizations.

**Winning Challenge in the Era of Globalization: the Mastery of Business Management and Development**

In the era of globalization few organizations have sufficient resources of their own to achieve an effective presence in all desired markets and product areas. This is particularly true in industries where new product introduction entails a massive outlay of funds. Partners variously contribute complementary products, market presence, distribution networks, production facilities, skills, and technologies. As network economy becomes increasingly prevalent, traditional models of strategic thinking, which emphasises the integrated organization acting in isolation to leverage proprietary resources, lose their relevance. New thinking and new competencies that combine competitive and cooperative strategies are required.

Since the 1960’s scientists have already addressed the need for organizations to engage in inter-organizational relationships (Evan, 1966; Warren 1967).
According to Contractor and Lorange (1988), Hamel (1989), the first line of inter-organization partnering was generally undertaken in order to gain access to foreign markets or to bypass government regulations. In the late 1970’s organizations gradually started to become aware of the advantages related to partnerships/alliances. The growth leveled off at the end of the 1980s when organizations realized the risks and dangers associated with the unstable character of partnerships while this period was also characterized by a worldwide recession, which led to a more inward-directed orientation triggered by restructuring activities (Duysters, 1999). Today the number of partnerships are growing (Ingham, 1998; Davenport, 1999; Quelin 2000; Krikštaponytė, 2003). Peter F. Drucker has said that there is not just a surge in alliances but "a worldwide restructuring" is occurring in the shape of partnerships/alliances (Krikštaponytė, Pukelienė, 2003; Valantinienė, 2006). Also they create the paradigm of successful business management and development cause by the increase of globalization more and more the traditional industrial model transforms to orientated to network business model.

Henderson (1990) considers two dimensions of partnership-style relationships – partnership in context and partnership in action. The degree to which partners believe that the partnership will be sustained over time, include three major determinants:

• mutual benefits (financial returns, risk-sharing, etc.);
• commitment with its major indicators (shared goals, incentive systems, and contracts, etc.);
• predisposition (an existing predilection in favour of the partnership, described by trust and existing attitudes and assumptions).

General process of partnering development consists of initial (strategic planning stage), intensive (negotiations, commitments, execution stages) and dissolution (termination stage) phases (Kaasalainen, 2002). Thus managers who want their business to be strong are urged to (Snow, 1992): maximize returns on all assets; search globally for opportunities and resources; perform only those functions for which the organization has, or can develop, expert skills; outsource those activities that can be performed quicker, more effectively, or at lower cost by others. It is also important to acknowledge that partnerships can be difficult to form because of differences in terms of aims, objectives, ideologies, processes and cultures. These differences can easily lead to reluctance, slowness and resistance to meet the challenges and complexities of working more closely together. This “collaborative inertia” can result from factors such as multiple and often hidden goals, power imbalances, differences in professional language, culture and procedures, incompatible collaborative capability, tension between autonomy and accountability and time involved in managing logistics (Huxham, 1996) This is why there is a great importance of partnering competencies for cooperation success (Jones, 1998).
The Value of Competences – Winning Ingredient’s Role in Management Science

Regarding the attitudes of various authors (Boyatzis, 1982; Krogh, 1996; Adamonienė, 2001; Magarinos, 2002; Valantinienė, 2006; Valantinienė, 2007) the concept of competence is multidimensional, it covers not only knowledge and skills, but also attitude and personal features. This is not only objective, but also subjective phenomenon depending on persons singleness, consciousness, social and economical environment.

New in the competency-based approach in the era of globalization – the linking of competencies with the strategic objectives, plans and capabilities of the organization. Thus, competencies will increasingly be used as a basis for identifying individual and organizational needs and planning for the development of an organization (Magarinos, 2002).

As competence models and frameworks are regarded as a modern scheme for business management and development applicable to both managers and those who are employed. With these models managers and employees can achieve a better understanding of what is expected from them and how this can be realized. Based on this approach and grounded on the theoretical research it was identified that the main business management – partnering competencies can be grouped into three categories: managerial, generic and technical.

Managerial competencies are essential for staff with managerial or supervisory responsibility, they are the 'micro-skills' of managers and are part of capabilities or assets of business management and development.

Various management scientists differently looked at the management competence. Kanungo and Misra (1992) defined it as the form of generic cognitive activities that lead to adaptation to different contexts, rather than being overt behavioural sequences. Masters and McCurry (1990) indicated that managerial competence is the capability to appropriately integrate and apply the skills one has that leads to managerial competency. Yukl, Wall, Leipsinger (1990), Wallace, Hunt (1996) have provided lists of generic managerial competencies, but competencies have not been given for managing multicultural workgroups. Cognitive factors include the management of personal stereotypes (Loden, 1991; Thiederman, 1991) and cognitive complexity or the ability to look at things from different perspectives (Gudykunst, 1984; Ronen, 1989; Wills, 1994). Boyatzis (1982) tried to look at managerial competencies in their effectiveness way, large attention paying to the organization as itself. He identifies aims and actions, leadership, management of human resources, management of subordinates, attention to others, special knowledge as the elements for competence which lets to implement partnering management functions.

It was identified that there are a set of four broad, overarching characteristics that business managers should have: functional competencies; earned competencies; interpersonal competencies; partnering/alliance mindset.

Functional competencies relate directly to the business issues the organization will face. They are typically gained through experience and formal training as a manager progresses in his or her career. Earned competencies are
developed over time as a manager learns how to use the "informal" channels that exist inside and outside the organization, the industry, and the profession. Interpersonal competencies relate directly to the relationship issues that the partnering will face. They form the set of skills and abilities that allow a manager to create, cultivate and maintain critical relationships. Partnering/alliance mindset have been identified as critical to success and winning. They are more difficult to find and measure, yet they are consistently cited as markers that distinguished truly excellent partnering managers. ng the world differently, can this person simultaneously consider multiple points of view.

The main components of managerial competency as stated by I. Valantinienė and I. Krikštaponytė (2006, 2007) are: strategic thinking and scenario-building; analysis, problem solving and decision making; planning and organizing; change management; managing small organizational groups; managing large organizational groups; team leadership; information management; innovation and creation; mediation and negotiation; mentoring and coaching; facilitation and group moderation; presentation and public speaking, interviewing. The internal development of core managerial competencies include a strong integration of individual tasks and knowledge within the overall activity of the organization. The main features of a strategy aimed at developing core competencies includes a strong reliance on horizontal coordination process, trust, and strategic human resource management, contribute to a dynamic balance between cooperation and competition within the organization (Prokopenko, 2000).

Generic competencies are considered to be essential for all staff, regardless of their function or level, i.e. communication, programme execution, processing tools, linguistic, etc.

Technical/functional competencies are considered essential to perform any job in the organization within a defined technical or functional area of work. These competencies are useful to human resources and managers in assessing self-development needs and setting performance standards and career plans.

Core competencies are not simply products, services or physical assets, but include: embedded organizational knowledge, unique capabilities. In order to become competent in the era of globalization requires hard work, dedication, and a mindset that embraces the willingness to change. The journey is fraught with challenges; yet, the prepared organization can adapt and proactively negotiate these obstacles.

Conclusions

Globalization changes the environment of business management and it’s development. It requires new thinking and new competencies that combine competitive and cooperative strategies. In order to win organizations will have to enter into partnering more aggressively in the future cause of the reasons to learn, to take advantage of partners' specialization advantages, to leverage resources, to create linkages, to leap over existing constraints, to "lock out" the competition by forming partnerships with the strongest organizations in foreign markets.
Competence is the ingredient for winning and synonym of competitive advantage in the era of globalization. Main competencies are grouped into managerial, generic and technical. There are set of four broad characteristics that alliance managers should have: functional competencies (directly related to the business issues the alliance will face), earned competencies (developed over time as a manager learns how to use the “informal” channels), interpersonal competencies (they form the set of skills and abilities that allow a manager to create, cultivate and maintain critical relationships for the alliance) and alliance mindset (critical to the alliance success). To become alliance competent requires hard work, dedication, and a mindset that embraces the willingness to change.

The main task of development is to grow organization to that level that it could survive the challenges of competition and globalization. This requires large attention to competence issue in the management science and studies for the mastery of business management and it’s development.

References


LAIMĖJIMO IŠŠŪKIS GLOBALIZACIJOS AMŽIUJE: VERSLO VALDYMO IR PLĖTROS MEISTRIŠKUMAS

Irena Valantinienė1, Ingrida Krikštaponytė2

Lietuvos kūno kultūros akademija1, Kauno technologijos universitetas2

Šiandien aplinka pilna pokyčių dėl globalizacijos procesų. Šiame straipsnyje analizuojamas verslo valdymas ir plėtra globalizacijos amžiuje, parodant, koks yra laimėjimo iššūkis organizacijoms. Verslo valdymas ir plėtra globalizacijos amžiuje yra sudėtingesni. Tam, kad sėkmingai valdytų verslą globalizacijos amžiuje, vadovai turi suprasti ne tik kompetencijos vertę, bet taip pat turi žinoti pagrindines verslo valdymo kompetencijas ir pastoviai jas tobulinti, nes šiandieninėje visuomenėje žinių poreikis vis auga ir kompetencijos vertė bus vis svarbesnė vadybos moksluose ir praktikoje.