

The new information technology and the management: what is the relation?

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Abstract— The aims of this paper are to shed light on the ramifications which new information technologies have on the traditional methods of management, drawing attention to the effect of the economic changes on new leaders' role, combining skills and developing companies mainly through competence and human capital; which leads to raising a number of questions: how to convince company managers to employ new organization forms? How to urge them to effectively incorporate new advancements? And how to guarantee their incorporation whilst effectively developing human resources?

Index Terms— New economy, traditional management, new management, incorporation and human resources

1 INTRODUCTION

Since early 1990s, there has been a gradual development in the coexistence of the promotion of "Net Economy" corporations of a new reactive organization and operation model to the environmental limitations, and the skepticism of traditional companies towards the growth of technologies in concurrence with their optimism towards the union of their operating model and the internet.

Emergence of new leaders due to the growth of technologies (NTI) challenged them to incorporate in their corporations' new information technologies and predict their effect on personnel management and managerial methods. In accordance to Mongrand "the new management methods invented, following the recent technological changes, that is, mainly, the start-ups, are more open to individual innovation and more propitious to showcasing collective and individual skills" (2001).

The impression on managerial methods due to NTI is a notion that can be discussed through three questions:

- What characteristics of these NTI and new model can

describe, and whose manager will be the actor of change?

- What view can the operational management take in the new economy companies, considering its strengths concurrently with focusing on the new manager's difficulties?
- What can the essential characteristics describe of the many future organization, which require success by joining the old and the new economy, with a focus on the growth of human resources

2 THE NEW ECONOMY ORGANIZATION

In the 1990s, the Internet as the third industrial revolution, has emerged and made changes in the current situation. As stated by Mongrand (2001) "The Internet forces us to see that new things were happening, but it was innovation that was the protagonist; that there was whirlpool but there was no speed. That the economy—in all its forms— was slowing down".

2.1 The opposition between the traditional economy and the « new economy »

The aspects of old economy and new economy differ from one another. The latter depends on the growth and spread of recent information technologies, and powerful development. As

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Gadrey explains, it demands strategic organization of the companies' heritage. "This new economy thrives on knowledge and continuous innovation. It favors information in the economic enterprise and it emphasizes the use of knowledge and symbolic information that can be integrated into material and non-material goods and services" (www.bellanet.org).

Also, the old economy was based on the assets and principles of scale economy, while the new one on information access (Rifkin, 2000), and the lower costs by which the new technologies are marked. Though, certain limitations of the new economy's strong development will be detected; if it is given greater importance to the extent of assisting the decision making, the economic success and productivity profit.

The constraint of time is of great importance. New economy focuses on "fast economy" through the reduction of the time a product takes from its creation to its availability in markets, also known as time-to-market. Second, an unexpected drop in stock prices known as stock market crash, causing in losing value. Finally, mutation is the third limitation; which is the random change in corporations who look to engage in the Net market. So, how are companies structured? Which managerial model is employed? Which is the individual's responsibility?

2.2 Specific criteria for this "new model"

The individual and management type are prioritized by the new economy corporations. From one perspective, the virtual organization is described by intangibility of trades' service, reduction in the quantity of intermediates, massive decrease in operational expenses, data and collaboration sharing amid the diverse actors whose primary qualities are the following:

- Ubiquity : present in many places simultaneously
- Omnipresence : permanently open and accessible to their customers,
- Omniscience: access to the global knowledge and to the knowledge of their personnel.

Moreover, such corporations take satisfaction in being smart which results in a competitive nature.

From another perspective, this new model is described by the outsourcing of numerous procedures. These corporations are frequently attempting to outsource certain tasks which they are regarded unnecessary improve their internal costs. Which –in addition- is the principle of "Subsidiarity" that holds that "buying elsewhere what is better and less expensive, rather than in one's company".

Information and expertise spreading is a different principle. It is that the notion of knowledge-management is trendy, "it is a package of organizational and technological methods aiming to create, collect, organize, stock, spread, share, make use of and transfer knowledge within a company. it can be found in internal and external documents, and in forms of intellectual capital, through the experiences of the employees and the experts of the field" (Madinier, 2005). Changing the economy from new to old infers an organizational and a strategic evolution, as Benchimol stated "the change of direction in organization has impact in working methods, management, structures and in an entirely new policy regarding human relations" (2001).

Knowledge-management also allows the change of culture towards listen to one's customers and towards bridging the hole within different departments as well as between customers. The customer's perspective, the "One to One", implies that the company discusses with the customer and gathers information that can be used later on. The success of this change also implies the support of all the company's employees.

Cultural change is also permitted by Knowledge-management through paying attention to one's clients and closing the space parting various departments just as clients. The "One to One" strategy that implies the client's perspective is important and the interactions is thought to encourage better customer loyalty and greater returns on marketing investment

Achieving individual shareholding throughout the stock class system, workers throughout deferred remuneration, but significantly, success through initial public offering and prospects development, which through the workers are engaged in the collective value creation.

As a new system, founding a flat organization in which the staff and executives are the only levels of hierarchy, and the managers instruct all the workers' engagement in collaborating, exchanging data and developing knowledge

A congenial leader who is less formal with the staff encourages them to develop into actors of change instead of a hindrance. "The new companies should become faster, more flexible, more agile, and for this to happen, managers should become aware of their most important asset, human competence" (Prax J-Y 2005). "A federated identity management" is the management that practices in various networks and shares great efficiency obligations. However eventually, in this new economy, who are the actors? The answer is the "golden age" but not all. Several other professions have appeared (the generalists¹, the technicians², the crea-

tives³, the sale representatives⁴). The rulers of the internet have been these executives. But what is the reason that is separating them from the traditional executives?

Primarily, new behaviors that express authority rejection have surfaced, such as less formal dress code, the allowance of obsessions like mobile phones, elimination of traditional hierarchy and no schedule, establishing proficiency as the only authority. These leaders seek after rebalancing and using the company for personal benefit and development in a way, and utilize flexibility through pro-activeness and adaptability as an essential characteristic in another.

Moreover, the manager is expected to share authority with other workers as they seek to take more responsibilities. However, the success of such strategies faces difficulties

3 A CRITICAL ANALYSIS OF THE MANAGEMENT OF THE NEW ECONOMY COMPANIES

New organizations avoid the issues which traditional companies faced, they scrutinize difficult decisions. Whereas, the old corporations had weighty and inadmissible structures that form a lack of pro-activeness, freedom and satisfaction in work. Moreover, they intend to lessen the managers' job, despite that they tried to expand their engagement mode by creating project groups and matrix organizations. Additionally, new leaders refute the traditional career path as it is believed to be driven by acknowledgment of degrees and connections instead of skills

In fact, net-economists deny collective regulations and standards for their unfitting and unreliable nature. New companies face a problem of change and creativity continuation which is hindered by the uncertainty of creating this operation. It is the manager's role to assess the suitable techniques to handle new technologies within companies by focusing on their working systems and internal social environment. Although in reality; companies still lead traditional approaches which are based on underlying hierarchy and limited innovation. Additionally, psychological, physical risks as well as recession and poor work conditions remain the most eminent [15]-[16]-[17]-[19]. The mentality of individuality in past and current companies discourages social communication. In fact, despite the constant efforts of managers in sharpening their skills and relying on their enthusiasm, they still face problems related to the stressful working environment and the lack of experience and thorough training. To solve these problems, various new solutions can be channeled. According to Drucker (1999), "Management should be adapted to each population group and each group should be managed according to its times".

4 SUCCESSFUL CHANGE THROUGH THE COMBINATION OF TWO LOGICS

The new economy is exposed to constant change from the perspective of both the individual and the system which seek to acquire new skills Mongrand says that "the technological discourse can no longer be as dominant as it was at the beginning" (2011). Therefore, change should start from the root of the company, its internal managerial system which needs to work in synergy with its technical issues (Bück J-Y 1991). Nevertheless, the revolutionary effect of the global information societies is still wildly underrated among decision makers, despite the nature of this irrepressible change, multiple techniques must be followed, such as the integration of new technologies and the adoption of organizational forms through the development of challenging IT projects and their employees in the process (Le Boterf, 1997, 1999). A good integration of NIT in companies requires a new system focuses on the enhancement of human resources and managerial skills, the sharing of knowledge and the creation of a synergic working space. On the other hand, companies must choose capable managers who are able to lead their best recruits.

In order to follow NIT and protect their longevity (Fayard, 2003/2004), future companies should differentiate between skills that must be shared and those that are best remained internal. These changes should be subjected to the company as a whole, its employees, references and core values (Probst G et al, 1992). They should be accompanied with a trusting work environment, a thorough assistance of managers and other employees to guide and help them develop their innovative thinking and skill to share and utilize knowledge. Furthermore, these companies need to campaign innovative thinking (Druker, 1999).

5 CONCLUSION

Individuals are increasingly associated and ready to cooperate, at a cost like the one of the TV, it is the duty of corporations to give an everyday significance to the foundation of this system which is right now connected. Now, organizations are to learn to collaborate with different large and small organizations' actors. Numerous structures and actors will develop thanks to the worldwide data society, making novel activities, smart diversion, for a greater cooperation. Reactivity is expected to give way to proactivity, which characterizes initiative and anticipation of upcoming events. Proactivity is acted based on personalities' values, where they visualize the future first. Therefore, leadership should be associated with vigilance in intelligently choosing between current and future competitions. Since change is expected and acted upon by companies, how to guide company managers to see and employ new organizational strategies? How to aid them combine new technologies with success? How to encourage maximum possible progress of the human capital? The basic perspective on certain managers concerning new businesses is rea-

sonable. The elation caused by the media conceals the truth, as in operating modes contrast with the standards presented by the new economy, the social aspect is disregarded and the human capital is being oppressed. Also, it is stressed that the effects are significant for the development of the managers' role. The access to knowledge is easy due to the information technology for all workers, despite hierarchy; by utilizing e-mail. This point actualizes an observable change in the power definition. Also, it questions the autonomy of dissemination and data access.

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