

Fast-as-light computers, global energy wars, and a legion of environmental activists are just some of the factors that will influence the corporate world in the year 2001. To find out what executives must be on the lookout for in the turbulent years

ahead, *Omni* **BUSINESS MANAGEMENT IN THE 21st CENTURY** recently sponsored a roundtable with the SEI Center for Advanced Studies in Management, part of the Wharton School of the University of Pennsylvania. Our topic: management in the twenty-first century. To kick off the conference, think tank members and corporation execs delineated the world ahead. They predicted a tremendous division between the haves (those in the U.S., the European Common Mar-

BY PAMELA WEINTRAUB

# CHALLENGE & RESPONSE



ket, and East Asia) and the have-nots (including citizens of the Soviet Union and Brazil). Some nations will prosper amid digital phones, fiberoptics, smart buildings, and bullet trains, while others wallow in hunger and despair, lacking even the energy to heat their homes. Thanks to the tremendous mobility of the twenty-first century, however, national lines will often blur as people flow easily from culture to culture. Advances in biotechnology will help the workforce grow ever older, with individuals remaining productive until the age of seventy, eighty, or beyond. Young people, meanwhile, will require decades of education before they can fill the shoes of those who finally retire.

Admiral Bobby Ray Inman, former deputy director of the CIA, now an entrepreneur, described life, money, and politics in the next century. His strategic planning statement appears below and serves as a starting point. Other roundtable members then responded to Inman (and each other), predicting the corporate future and prescribing solutions to a host of corporate ills. Their memos follow Inman's report.

#### STRATEGIC PLANNING REPORT: MANAGEMENT 2001

The world of the twenty-first century will be racked by turmoil—by terrorism, revolution, and tribal feuds. Most of black Africa will be in a state of chaos. South America will be an economic basket case. And the poorly trained, lethargic workforce of the Soviet Union will resent the work ethic of Asia and the West.

In contrast to these troubled regions will be three major trading areas, zones of relative wealth: the European Common Market, the North American free trade zone, and the East Asian trading bloc. We should see tremendous conflicts between the haves and the have-nots.

But Americans will have problems as well. If the budget deficit effort in the U.S. falls apart, we will stumble into a very deep recession. As a result, the relative cost of labor in the U.S. will plummet, creating an attractive region for foreign investment.

Early in the twenty-first century, more than half of those entering the workforce in Florida, Texas, Colorado, New Mexico, and California will be non-Anglo. We will also see an extremely significant shortfall in the production of scientists, mathematicians, and engineers.

#### STRATEGIES FOR SUCCESS

Managers who follow the strategies listed below should thrive in the coming age of turbulence—the Nineties—and in the century to come.

**Nurturing the research base.** The key to American success lies in our research base, specifically the university arena. Due to the declining pool of talent, the best managers will be forced not to oversee in-house research, but rather to rely on cooperative research activity among many companies, universities, and even the government.

Superstar managers will literally have to track evolving research and then invest in parallel receptor activities within their own organizations. Real success will go to those who can facilitate technology transfer from an outside source.

**Educating the people.**

Another ingredient for success is the quality of the workforce. To upgrade the workforce, we've got to apply telecommunications and computer technology to the learning process and keep people in the learning track.

**Global planning.** Future managers must learn about strategic planning in a global environment. As we move increasingly to multinational corporations, managers will have to put much of the manufacturing, as well as the research and even marketing, in the hands of local nationals. But in the future, executives will have to be open-minded enough to bring these local nationals back to corporate headquarters to help with strategic planning as well.

In the twenty-first century, management must understand not just the technology or product but also the culture and religion of countries in which they work.

**High-touch leadership.** More than ever, managers will need the ability to inspire, attract, and motivate talented people from a wide range of environments and demographics. Given the declining pool of talent, cash alone will not be the critical factor in attracting and retaining people. Talent must feel that management has a deep interest in career development. More than anything, the future manager will need a little wanderlust. It might be tempting to sit around an office and receive information from a sophisticated computer network, but the successful manager will have to walk around and literally become part of the production process.

—Admiral Bobby Ray Inman

**Advances  
in biotechnology  
will lead to  
a dramatically older  
workforce.  
The need for these  
skilled workers  
will create intense  
pressure  
against retirement,  
even though  
most people find  
staying in  
the same field for  
50-plus  
years is boring.**

## GREEN BUSINESS

From: Gerald O. Barney, Executive Director, Institute for Twenty-first Century Studies

Re: Era of the Environment

Global warming, depletion of the ozone layer, loss of soil, and water contamination are not problems that will go away by 2001. Corporations will be forced to become environmentalists; if they don't they will suffer the wrath of consumers and investors.

Right now we're in the midst of a global energy transition from oil to something else. Whatever it is—conservation, coal, nuclear—it will cost more.

What's more, I think that the nature of development will change. To create the huge infrastructure that now defines development requires energy. In the future energy will be much more expensive, and as our infrastructure continues to fall apart, repairing and rebuilding our highways, sewers, and roads will be even more expensive. Therefore, don't expect to see the undeveloped parts of Africa, Asia, or Latin America to ever have the infrastructure that exists here. The planet simply cannot sustain the environmental impact of development on

## MONEY MATTERS

From: Joseph F. Coates, President, J. F. Coates, Inc.

Re: Testosterone, Inc.

In most of today's corporations, women reach a certain level—the glass ceiling—and they simply can't go any higher. Yet by the year 2000, 47.5 percent of the workforce will be female. The sheer force of numbers alone will move these women into top management. That will be the trend. What will be the consequences?

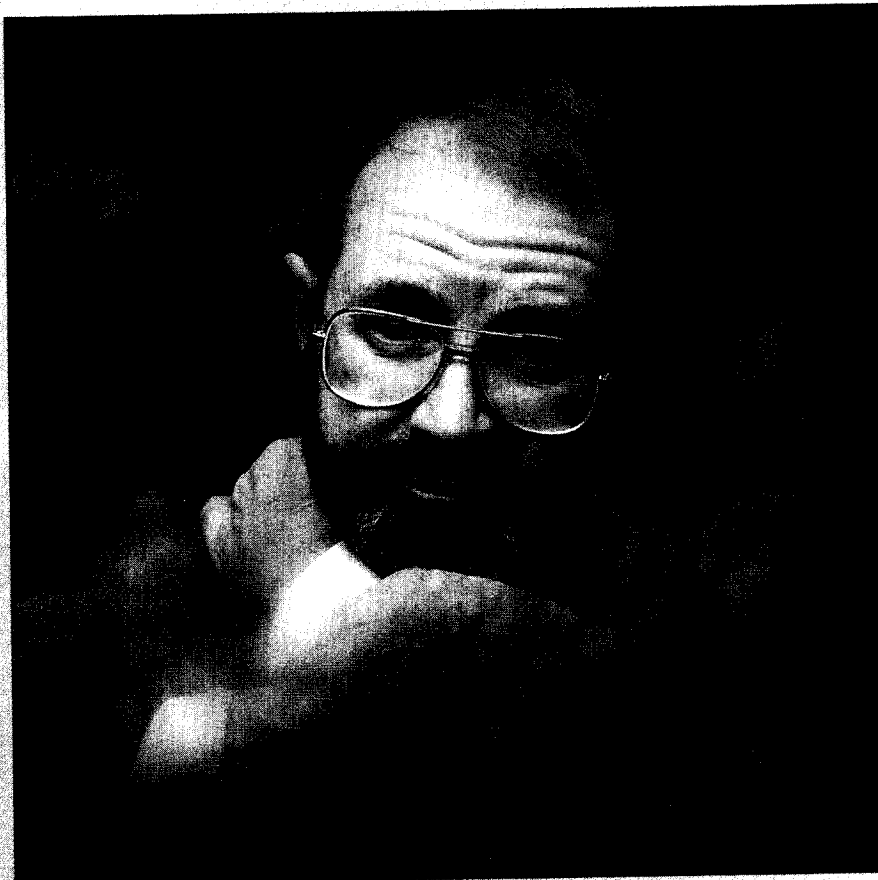
To answer this question, we've got to step back and view the corporation as a male invention, a male preserve. The most important biological characteristic of contemporary men is surplus testosterone, making the male institution an essentially hostile, aggressive place. Women aren't cursed with surplus testosterone. So it will be interesting, as women enter top management, to see how they respond to the boys' game. I think we'll find them very intolerant and very driven to restructuring the hostile, aggressive corporate environment in a radical way. We may even end up with some "feminine" corporations—not because they're populated by women, but because the hierarchy allows for a dif-

that scale. In fact, I believe that the gross national product will be replaced as an indicator of economic performance with measurements of environmental destruction.

Third World problems will travel around the globe. The first way will be through drugs. Anyone involved in education knows what it's like to have crack children in the schools. In another ten years, corporations will be interviewing these crack children for jobs.

Another way undeveloped countries will get back at us is through migration. One of the ways in which Japan has an enormous advantage over the U.S. and Europe is that it has that big moat—the ocean—plus restrictive entry regulations. We, on the other hand, have a 2,000-mile-long opening to some of the poorest people of the world. Whether we like it or not, the workforce of the United States will consist in large part of unskilled poor people who migrate to our borders.

Finally, I see a desire on the part of the have-nots to limit the way we exploit their resources. To deal with all the problems of the future, the best managers will have to help their organizations become learning organizations, in which the company itself is open to growth, change, and ideas.



fusion of power and for a more equitable approach to work, one that is not driven by competition merely for competition's sake.

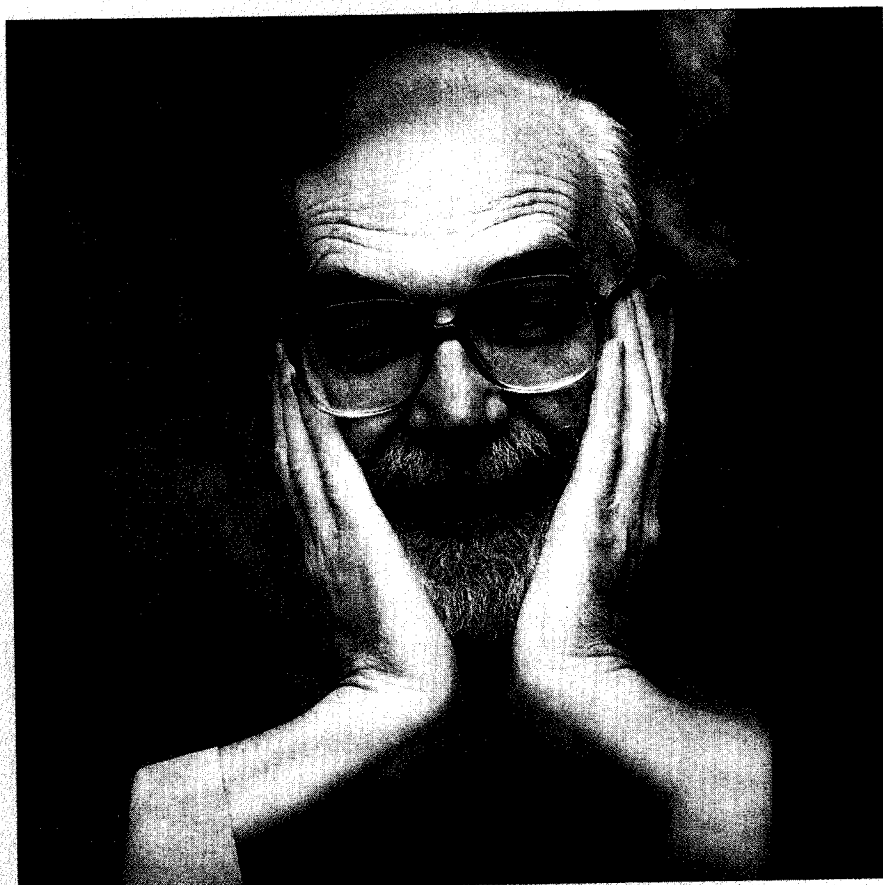
With so many women in the workforce, we are also seeing the rise of the two-income household. Those in two-income households have bought themselves a totally new commodity—the independence that comes from having a backup source of support. And it boils down to one very simple thing: "You, dumba, can take your goddamn job and shove it. I don't have to put up with your managerial stupidity, your supervisory incompetence, for one second more. You shape up or I ship out."

From: Marvin Cetron, President, Forecasting International

Re: The Small Will Inherit the Earth

In the twenty-first century the largest businesses will burgeon as mid-size companies get squeezed out and the small survive. This may seem negative, but it is actually extremely positive. One reason is classical economies of scale. As giant corporations take over more of the marketplace, they can produce most manufactured goods at less cost than mid-size corporations. Thus consumers will

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spend less of their income on, say, a VCR or dishwasher. As money stretches further, living standards will rise.

In addition, more and more professionals, consultants, executives, and laborers will become entrepreneurs in the small market niche, out of the notice of the big competition. They may not enjoy economies of scale, but they will be able to set themselves up with a computer, a fax machine, a telephone, and a good idea. This will give the economy thousands of new sources of innovation and will offer a source of jobs to replace those lost with the decline of mid-size companies.

**From:** Michael J. Quinlan, VP and Assistant General Manager, IBM

**Re:** Long Views and Electronic Grays

Corporations generally keep a short-term focus. The volatility of the stock market now drives our research and our strategic planning. But the short-term view keeps corporations from focusing on longer-term issues that will be crucial to success in the next century—training talent, for instance, or promoting employee health. Successful managers of the future will need to forecast and influence long-term, strategic futures.

Take education, which clearly warrants strategic consideration. The corporation, however, has no notion of how to engage in the politics of education. Corporations know how to throw money at education; they know how to be philanthropic, but they do not know how to marshal their own enormous resources politically to force fundamental change. Without such long-term strategic abilities, corporate managers will not succeed.

I also believe that managers will have to pay more attention to the elderly, who will have a dramatic impact on U.S. public policy. As people get older, they will communicate with each other through easy-to-use home computers. I think many of the elderly will use their computers to debate environmental and national health issues. Eventually these informal discussions will actually turn into de facto referenda. Though electronic consensus may not have legislative power, it may, in many ways, herald the dilution of representative government. Finally, as the twenty-first cen-

tury approaches, I see a fortified First World. Managers will be on the lookout for unstable situations such as the one in Iraq. Wary of Third World turbulence, managers will pursue business opportunities in the First World.

**From:** John Diebold, Chairman of the Board, The Diebold Group

**Re:** The Nurturing Manager

One of the big issues for management of the twenty-first century will be attracting talent with the promise of flexibility. Future managers will need to find ways to allow people to participate in organizations in whatever way they want. Some people want to work all the time. Some people want to work an absolute minimum. Some want to work in the morning, and some at night. Information technology will help management accommodate talented individuals, but the main invention must still be in the human sphere: Managers must create a commonality between the human being and the corporation.

**From:** Robert Holland, Senior Economic Consultant, Committee for Economic Development

**Re:** Workforce 2000

Managers usually expect human development to take place outside the corporation, thinking that moms and dads will raise kids and schools will educate them. Then corporations can pick the cream of the crop.

But increasingly the institutions we count on to develop talent have proved deficient. It is now in business's own enlightened interest to take an active part in introducing and

pushing along the solutions for the development of talent from the time the baby is conceived. This is particularly true if the company is in a disadvantaged geographic area, where health is a real problem and can destroy the life-long productivity of a youngster before he or she is born.

Good managers must now not only pay close attention to cash flow but also to talent flow, which will be relatively costly in the short run. After all, it takes more than 20 years for a youngster to be born and brought up and educated by a decent university. That's the biggest burden business will face in the years to come.

**From:** Robert H. Smith, President, The Futures Group

**Re:** Multinationals Rule the World

If you grant the hypotheses that the Cold War is over and that the U.S. is in a state of decline, then you must ask, "Who or what will take its place in the

future?" Where will ethical and economic leadership be found in a fragmented world where political strength has evaporated? Most likely global corporations will fill the role superpowers once played. Governments, meanwhile, will return to their past role—taking care of the elderly and the dependent population, education, foreign policy, and defense.

Even if one doesn't believe that governments will lose political power, the presence of the multinational corporation still challenges the theory that the world economy will be ruled by economic blocs such as the European bloc or the Asian bloc.


By the early part of the twenty-first century the multinational corporation will cover much of the globe. Discontented with governments' inability to operate in a world economy, global corporations will fill the vacuum to survive. The multinational, which in the next century may operate in up to 60 countries, should become the driver of change.

**From:** Lynne McFarland, Founder and Chairman, Leadership Into the Next Century (LINC)

**Re:** The New Age of Empowerment

As we look forward into the next century there are three "omni-paradigms," or all-encompassing trends, that I see taking place. The first twenty-first century paradigm is "omni-leadership." This is a broadly distributed leadership that reaches out in every direction and touches every human being. In essence, omni-leadership invites each individual in an enterprise to be a leader and to fully develop his personal and professional excellence. Omni-leadership calls into action every person and empowers his vision, creativity, wisdom, and freedom of choice.

The second major paradigm is what I call "omni-networks," which are dynamic linkages of individuals, families, enterprises, communities, and nations. There will be an explosion of alliances in every direction. Omni-networks will link up teams of interdisciplinary collaborators to more effectively resolve the economic, educational, social, environmental, and governmental issues that are crucial to survival in the twenty-first century. These networks, composed of large blocs of consumers and enterprises representing the global marketplace, will set standards, policy, and action for large populations.

The end result will be a living global communications and interchange system that leads to the next omni-paradigm—an "omni-civilization," a truly single global economy and society. The financial, technological, governmental, and cultural elements of the omni-civilization will work in unison to resolve our mutual global challenges and help us evolve from our current Information Age to the new Age of Empowerment. 

**Omni-leadership reaches out in every direction, touching each human, male or female, young or old. It invites each individual to be a leader through personal creativity, vision, wisdom, and freedom of choice.**