

THE ROLE OF MANAGEMENT IN BUILDING THE KNOWLEDGE-BASED SOCIETY

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Abstract: Management has transformed the economic and social structure of developed countries, created the global economy, established rules for participation in this economy. The concept of management and its implementation has changed over time. However, the fundamental role of management remains fundamentally the same, to unite people, making them able to work together efficiently, giving them a common goal, common values, a proper way of organizing, continuous training, for continuous development. Management, the practice of management has contributed to the transformation of the workforce, to the emergence of well-trained employees, to knowledge-based workers, those who laid the foundations of the knowledge-based society.

Management, this agent of transformation has made possible the involvement of such a large number of skilled workers, based on knowledge to work in the production activity. No society has so far united people with different qualifications and knowledge to achieve common goals, as this new society has done and is doing the knowledge-based society.

Keywords: management, knowledge worker, knowledge society, future, global economy

1. Introduction

The word "management" defines a function, those who perform it, a social position, a level, a discipline and a field of study.¹

Management is the science but also the art of leading. It includes a set of activities of: organization, leading etc., which determine the objectives of companies, resources and work processes necessary to achieve these objectives, which contribute to uniting the work of employees by using several appropriate techniques and methods to achieve the goal the company. The economic processes are studied, but also the relations generated by these processes, in order to establish rules, principles, to elaborate systems, methods and techniques that would lead to the increase of competitiveness.² Any successful organization has good managers³.

Knowledge means the accumulation of information that we can use to develop personally or within an organization, together with it.⁴ Knowledge has been the central

¹ Drucker, P. F. – Management. Tasks, Responsibilities, Practices, TRUMAN TALLEY BOOKS / E.P. DUTTON / New York, 1986, available at <http://www.icmbpl.com/Management%20-%20Tasks,%20Responsibilities,%20Practices%20by%20Peter%20Drucker%20e%20book.pdf>, accessed at 23.02.2021

² <https://dexonline.ro/definitie/management>

³ Daft, R. L. – Management, ninth edition, South-Western, Cengage Learning, 2010, available at <http://tizim.nammqi.uz/elektron-kutubxona/fayl/46.pdf>, accessed at 23.02.2021

⁴ Borcoși, C. A. - Management Based on Knowledge–management method applied in Romanian Small and Medium Enterprises, Annals of the University of Craiova, Economic Sciences Series, vol. 7, nr. 36, 2008, p. 3451

element of the gradual rise in living standards since ancient times.⁵ Knowledge means power, but to generate progress, evolution, it is necessary to associate with the force of money⁶.

The knowledge-based economy, the knowledge-based society are concepts that reflect the importance of knowledge in today's world that is constantly changing.⁷ The knowledge society that is being built today will be a society of organizations⁸.

The knowledge-based society has as its main resource: knowledge and has emerged as a result of the progress of knowledge. This society operates with knowledge, IT equipment, IT and communication products and services. The value of the information, of the knowledge with which it operates is sometimes so great that the loss of information or lack of knowledge in a field, can sometimes lead to bankruptcy, as the exchange of knowledge, information, use of knowledge can contribute to increasing the value of initial knowledge, information, society.

The society of the future is the knowledge-based society, in which employees based on knowledge will successfully operate. These knowledge-based employees transfer to their work and what they learned in school: concepts, ideas, theories, just as, in the work process, the other employees use their physical abilities or physical strength⁹.

2. The role of management in building the knowledge-based society

At the beginning of World War I, when few people were aware of the existence of management, most workers in developed countries were servants (who were a large category especially in the UK and USA), farmers (who had family farms) and workers in the processing industries, and which becomes the fastest growing professional category (in 1925 it represented 40% of the USA workforce).¹⁰

Today, when servants are almost extinct, farmers make up 3-5% of the active population in developed countries (although agricultural production is four to five times

⁵ David, P. A.; Foray, D. - Economic Fundamentals of the Knowledge Society, Policy Futures in Education, Volume 1, Number 1, 2003, pp. 20 – 49

⁶ Toffler, A. – Powershift, 1990, available at https://kupdf.net/download/alvin-toffler-1990-puterea-in-miscare_591129f4dc0d609851959eed_pdf, accessed 23.02.2021

⁷ Sorlin, S; Vessuri, H – Knowledge Society vs. Knowledge Economy: Knowledge, Power and Politics, PALGRAVE MACMILLAN, available at https://books.google.ro/books?hl=ro&lr=&id=Gi6HDAAQBAJ&oi=fnd&pg=PR7&dq=management+knowledge+society&ots=bQJANtmb67&sig=CtL3tBizeTfQ30_uy7QdHTWFJNg&redir_esc=y#v=onepage&q=management%20knowledge%20society&f=false accessed at 23.02.2021

⁸ Drucker, P. F. – Adventurers of a Bystander, John Wiley&Sons, Inc., 1997, available at https://books.google.ro/books?id=g1dEWfzK3T0C&pg=PA256&lpg=PA256&dq=adventurers+of+a+bystander+drucker.pdf&source=bl&ots=6-4sWB-Ftl&sig=ACfU3U28PWpJ7JHnsFLy2ZnSfbph3JOzKA&hl=ro&sa=X&ved=2ahUKEwiMg4HJ_IDvAhVDTBoKHQk1AZ44PBD0ATAHegQIBRAD, accessed at 23.02.2021

⁹ Drucker, P. F. – Management. Tasks, Responsibilities, Practices, TRUMAN TALLEY BOOKS / E.P. DUTTON / New York, 1986, available at <http://www.icmbpl.com/Management%20-%20Tasks,%20Responsibilities,%20Practices%20by%20Peter%20Drucker%20e%20book.pdf>, accessed at 23.02.2021

¹⁰ Drucker, P. F. – Despre profesia de MANAGER, Editura Meteor Press, București, 2006, p. 151

higher than 80 years ago), the number of workers in U.S.A. industry it is 18% of the total labor force (although industrial production is constantly growing), the largest share is held by managerial and specialized staff. This change was made especially by the management, which make the performance of bringing together knowledge-based employees, skilled workers, in the production activity. Management brings together people with different qualifications and knowledge to meet common goals.¹¹

Knowledge, especially advanced knowledge, is very specialized. Knowledge in itself produces nothing. But, employees of the same big company, well-informed people in all fields: engineers of different specializations, economists, statisticians, accountants, psychologists, IT specialists, human resources specialists, marketing specialists, designers, all working together in the same business, none will be able to be effective on its own, as together with the other knowledge-based employees, and with the company coordinating everyone's work.¹²

The use of knowledge-based employee knowledge could have been possible due to the happy existence of an inspired mix between ¹³:

- ✚ a modern management created, knowledge-based management;
- ✚ the explosion of education today;
- ✚ modern enterprise;
- ✚ the knowledge base of today's modern society - the knowledge society.

Management, and only this, makes it possible to use these well-informed people efficiently, who are knowledge-based employees. The emergence of management has made it possible to transform knowledge into the most valuable capital of any economy today.

Investments in knowledge have begun to grow. Thus Japan invests 8% of the Gross Domestic Product in factories and equipment (a record level), but twice as much in education, in schools for young people, in adult education and training. US invests almost 20% of the Gross Domestic Product in education and training.¹⁴

It was difficult to predict what would happen in the business world, the emergence of knowledge-based employees, the role of knowledge, the value of knowledge in the development of organizations and the emergence of the knowledge-based society. Especially since, we cannot talk about the existence of a precedent, known to us, throughout history. The only permanent organization was the army, from which it borrowed companies, its command and control structure. Hierarchical management structures have always been improved, depending on the needs, the objectives of the companies. Until the First World War, the classic departments that were part of any production company had been created:

- production;
- sale;
- finances;

¹¹ idem

¹² Drucker, P. F. – Despre profesia de MANAGER, Editura Meteor Press, București, 2006

¹³ idem

¹⁴ ibidem

- accounting;
- research and design;
- human resources.

The needs of the First World War led to more and more unskilled people being transformed into productive workers, by applying Frederick Taylor's "scientific leadership" to the large-scale training of unskilled workers. The work tasks were analyzed, and then divided into individual operations, which could be learned very quickly without the need for qualification. This kind of training was taken over by the Japanese, then by the South Koreans, who laid the foundations for the development of their countries.¹⁵

Between 1920-1930, management expanded into many areas and aspects of industrial production activity. Accounting has gone from drawing up accounting records to analysis and control, Planning has moved from Gantt charts to war production scheduling. Marketing has developed, due to the application of management concepts in the field of sales, distribution. The foundations were laid for automating production, working in teams, quality circles appeared, the organization based on knowledge. Every managerial innovation resulted from the application of knowledge at work. Physical work was replaced with information processing equipment; physical work was replaced with "smarter work."¹⁶

Management begins to develop as a distinct work, which can be studied, structured as a discipline. After the Second World War, it was concluded that management cannot be applied only in the field of business. Thus, it belongs to any activity that brings together in an organization employees with various knowledge and skills. It can be successfully applied in: educational institutions, hospitals, artistic institutions, etc. Regardless of the field in which management is applied, whether in the field of production or in the field of volunteering, for example, many of the responsibilities are the same, such as developing the organization's strategy, setting goals, staff development, selling products or services, evaluation results.¹⁷

The applied knowledge in the field of Management led to the growth of the world economy after 1950, to the transition from manual work to work based on knowledge.

Management is constantly evolving. And yet what is management?¹⁸

Management is also a set of techniques and methods that are taught in Business Administration schools.

Management refers to people, to making them able to work together, to capitalize on their strengths and to reduce their weaknesses.

Management influences the standard of living we lead, the society in which we live. Our ability to achieve what we want for ourselves and the company we work for depends equally on our management and our skills, our efforts, our dedication.

¹⁵ ibidem

¹⁶ ibidem

¹⁷ Drucker, P. F. – Despre profesia de MANAGER, Editura Meteor Press, București, 2006, p. 154

¹⁸ Idem, p. 163

Management deals, in a society with the integration of people in a common business, taking into account the tradition, history, culture of that society.

The goals set by any company must be simple, clear, able to bring people together. The mission, the goals must also be made known to all.

Employees must be attached to the company in which they work, there must be a culture of the organization that includes a set of common values, objectives, which management must discover, highlight, and offer as examples.

Management must ensure that the members of the company have the capacity to develop according to their wishes, needs and possibilities. Organizations must provide to the employees the opportunity to learn, to highlight their knowledge they possess¹⁹.

Organizations bring together people with different skills and knowledge, who perform different activities. It is necessary to ensure good communication, everyone being responsible for what they undertake. Every employee needs to know what is expected of them and how they want to be helped by others to perform their tasks.

A company, in order to survive on the market, in order to develop, must have an efficient management that will bring it innovation, staff development, quality, good financial results, and high productivity.

An enterprise can be likened to a man, who needs many measurements to indicate his health, so that he can be diagnosed and given the right treatment, just as a company needs measurements to the most useful management method or technique is implemented, or a mix of them.

We do not forget that the most important thing for any organization is customer satisfaction, without which the company would not exist. The results obtained by a hospital are the healthy patients, and the results obtained by a university are the students who have learned and who at the end of their studies put into practice the things learned.

Those who successfully apply management in any type of organization are those who have learned techniques, procedures, know certain processes, use certain tools. But the most important thing is that those who apply management to truly understand the principles of management, they must guide themselves according to these principles, in order to be themselves perfect specialists. These are the kind of managers who create everywhere they apply management, successful organizations, set standards, provide examples, get productivity. These managers are themselves a personal example, they have a human vision on the implementation of management, they have a superior ability to produce added value for all those involved: employees, suppliers, customers, etc.

Conclusions

In today's knowledge-based society, knowledge-based employees, through the knowledge they have, can have a greater influence on the company than the manager himself can. Today, the power of a company comes from transmitting knowledge, information to make them productive. Thus, knowledge-based employees need to be

¹⁹ Ibidem, pp. 164-165

understood and managers must be eager to understand them. Managers need to keep in mind that knowledge productivity has two dimensions: quantitative and qualitative. In today's society, managers must be the leaders of both knowledge-based employees (specialists) and other employees. The challenge for today's managers is to lead teams of both specialists and non-specialists, working together in the same team.

In today's world, the management of new organizations must make less and less use of hierarchical, authority-based relationships and rely more and more on relationships, on connections based on mutual understanding and responsibility.

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