

Changing Contours of Strategies in Complexity

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ABSTRACT

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Globalization is associated with conflicting notions like of economics, politico cultural system across the Globe as a major force of human development and prosperity to ecological exploitation & conflicts (Nibojsa Makicennovic, 2008).

In this complex, interconnected world, we are already witnessing “Lorez effect” in most spheres of life. Sectoral approaches rely upon actor's behavior including resource- based models, and politic economic outcomes (Kurth 1979, Rogowski, 1989) (Gourevitch 1986) (Glimore 1997). Their approaches explain technological changes in globalized world in sectoral variation, without referring to institutionalizing innovations. According to Freeman & Perez, “Technology has wide spread consequences. In that, the diffusion is accompanied by structural crisis of adjustment”.

Authors here wish to look at impact of Globalization of technology from Evolutionary perspective as a multi-disciplinary approach.

Keywords: Globalization, Economics, Political-Cultural System, Human Development, Prosperity

Introduction

Highly interconnected world we live in and depend on a highly interconnected world made up of many distinct but related systems environmental, social, economic, technical, political, cultural and so on. This global interconnectivity means that damaging one element may cause unexpected impacts elsewhere. In Asia, globalization has allowed us to prosper as a continent and take a leading economic role for a long time. Economic & environmental challenges: Earlier, people used to consume locally-grown food, due to globalization people consume products that have been developed in foreign countries. The amount of fuel that is consumed in transporting these products has led to an increase in the pollution levels in the environment. It has also led to several other environmental concerns such as noise pollution and landscape intrusion.

Key developments include changing demographic patterns or accelerating rates of urbanization, ever faster technological changes. Cities are spreading. The world expects continued economic growth.

Production is shifting towards newly emerging economies, which will grow in economic significance. Accelerating technological change is

anticipated. This 'race into the unknown' brings new risks – but also offers great opportunities.

Globalization created its own tools and institutions like the World Bank, the IMF and The WT. Resistance from institutions not only came from underdeveloped but developed nations also, In the 1999 protest against the WTO in Seattle, the protester not only used the internet to coordinate protesters from all over the United States but they also used the Internet to coordinate with protest that were being carried in other parts of the world (Kahn and Kellner 2007), creating a global protest. These resistances toward institutions that represent globalization were empowered by the same tools that permit the oppression that they were fighting against. It is not difficult to imagine that technologies that are created for one purpose can be used for another; technology can be used and adapted by the needs of each person. Paradigm shift is associated with strategies of globalized world.

The essence of the machine mode of organization is simple and elegant: an organization is a mindless system—it has no purpose of its own. It is a tool with a function defined by the user, an instrument for the owner to use to achieve his goal of making profit. The

operation of an un-minded system is totally under the control of a single brain, the executive function, which, by means of a communication network, the purpose of an organization is to serve the purposes of its members while also serving the purposes of its environment.

Understanding interdependency of variables requires a way of thinking different from analysis; it requires systems thinking. And analytical thinking and systems thinking are quite distinct. The analytical approach has remained essentially intact for nearly four hundred years, but systems thinking have already gone through three distinct generations of change. Mass production resulted directly from the machine mode of organization. Henry Ford's success in designing a production machine by making both parts and labor interchangeable led to a mass-production system. The question was no longer how to produce, but how to sell and so dawned the marketing era. What emerged was an environment with an entirely new set of challenges.

BCG, Sloan recognized that the basis for competition had changed from an ability to produce to an ability to manage growth and diversity. The unprecedented generation resulted in ever higher levels of choice, and change in individual behavior. Proved a double jeopardy for the biological mode of thinking. Nevertheless, the model was successful in the context of paternalistic cultures, where loyalty, conformity, and commitment are considered core virtues.

The next three games represent the other dimension of the dual paradigm shift: dealing with the challenge of interdependency, biological, and socio-cultural models of organization. The essence of this effort was to use models, basically mathematical, to find optimal solutions to a series of interdependent variables.

Flexibility and control, has increased market differentiation, and improved price/quality performance of the outputs, doing more and more with less and less. This game emerged slowly but effectively in Japan, Ohno, chief engineer of Toyota, using cybernetics principles, he was able to lower the break-even point by an order of magnitude. Designers seek to choose rather than predict the future. They try to understand rational, emotional, and cultural dimensions of choice and to produce a design that satisfies a multitude of functions. The design

methodology requires that designers learn how to use what they already know and learn how to realize what they do not know, Finally, producing a design requires an awareness of how activities of one part of a system affect and are affected by other parts.

Due to evolution the production has shifted from labor oriented to technology advanced economy. But at the same time, it has developed employment in accordance to urbanization and changes in demographic patters.

Internet has created the technological infrastructure needed by globalization that has allowed the restructuring of capital and the flow of information between borders. the major reason for the substantial growth of counter-trade is its use as a strategy to increase exports, particularly by the developing countries, counter-trade has been successfully used by a number of companies as an entry strategy. Strategic alliance has been becoming more and more popular in international business. A USA based pharmaceutical firm may use the sales promotion and distribution infrastructure of a Japanese pharmaceutical firm to sell its products in Japan. In return, the Japanese firm can use the same strategy for the sale of its products in the U.S. market Strategic alliance, more than an entry strategy, is a competitive strategy. Mergers and acquisitions have been a very important market entry strategy as well as expansion strategy. It provides instant access to markets and distribution network.

Picking options that carry a lower cost to change course allows for more agility. The layoffs and the steep rise in employment we've seen over the last couple of months is an indication that many businesses intuitively recognize the importance of conserving cash. Still, there are different tactics for conserving cash and you should consider reversibility. Exercising multiple options helps you to gather information more quickly about which options are fruitful, and defrays the opportunity cost of picking one option over another.

Before making any big decisions, engage in a simple exercise of mental time travel. Imagine what additional information or later developments would lead you to revise the decision. If you're considering layoffs or keeping a business closed, by doing this in advance, you create a set of signposts to pay attention to as you evaluate whether to stay the course or change direction.

This closely relates to the institutions within innovation management. In this interconnected world the innovation process requires organizations to connect in order to enable to flows of knowledge, capital, labor and hence the need for dynamic innovation system. The objectives for such strategic alliance as a strategy in Globalized world could be:

1. Efficient acquisition of informational resources via inters – organizational learning.
2. Intensive apportioning of managerial resources towards highly scarce managerial resources, their extended, rapid application, and the raising of the efficiency of the systems as a whole by combining the managerial resources of the other firms with those of one's own firm, and
3. Securing of a basis for the advantageous deployment of managerial resources in industries that are ruled by network externalities.

This brings us to requirement for institutional adaption. The internet, with its networking potential, compels us to address the co- evolution of technology and organizational structures. It can make a highly decentralization so as to maximize organizational effectiveness.

Tech-System

Kitchelt has studied institutional Fits for technological system and identified “coupling and casual complexity”. From evolutionary perspective variation selection causes amplification and cooperation becomes eminent for the successes of strategic alliances.

In light of this it is worth nothing that various empirical studies pertaining to out sourcing core competency state the enhancement of managerial decision making and better sustainable competitive advantage.

Conclusion

In this complex, interconnected world strategic alliances, can and should sue as a competitive tool. The authors study this phenomenon from multidisciplinary perspective and conclude that institutional aspect, especially Trans boundary alliances, could be extremely useful for certain

economies with rigid governmental structure especially when there is modular strategy rather than coupled strategy for innovation. In this case such alliances could help develop the complete edge through learning and organizational skill building.

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