

Thinking On Building New Managerial Theory

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ABSTRACT

The paper puts forward a new managerial thought and theory including 12 points which absorbs and integrates the essence of oriental and occidental counterparts. It advocates that sustainable development be the principle that must be adhered to attain the co-growth of the human, the society and nature. It stresses that, for enhancing competitive advantages, learning organization with high flexibility and flat structure and new corporate culture should be established. The paper also emphasizes on the perpetual innovation and suggests that the qualitative and quantitative analysis and modeling should be combined and new corporate system should be built under the guidance of useful theories such as system dynamics, eco-economics, etc. At the same time, it demonstrates the working policy of "Study, Synthesis and Innovation" and the managerial philosophy of "Harmony with Nature".

Generally speaking, all sorts of previous managerial theories are obsolete nowadays and the new age is waiting for a new managerial thought. Since the 90's, the characteristics of new era are acceleratively emerging with each passing day. This kind of situation makes it imperative to establish a new managerial thought and theory that incorporate the essence of both the oriental and occidental counterparts based on the situation of our country.

We should founder our new theory under the guideline of "Study, Synthesis and Innovation". We advocate that the managerial thoughts in all times and in all over the world should be evaluated and inherited and their marrows should be rethought and absorbed considering the actual conditions of our country. And we put forward the principle of "Harmony with Nature", which is formed by combining the thinking on natural and human, micro and macro, hard and soft aspects. The gist of preliminary theory conceived is as following:

- **Firstly, a new managerial philosophy should be set up.** We believe that systematic dialectic materialism should be regarded as the core of the new philosophy. We should emphasize on innovation and systems thinking. We advocate "Harmony with Nature" and criticize the philosophy which believe that human is the center of the cosmos. Because the kernel of the new philosophy is systematic and dialectic, on the one hand it deals with the relationship between human, nature and society, and on the other hand inside a corporation it puts the policy of Benevolence with Nomocracy as base in an important place. At the same time, we should integrate the ancient Chinese thoughts of Mohist School, War

School and so on.

- **Secondly, the principle of sustainable development (i.e. “Harmony with Nature”) must be persisted to realize the co-development of human, society and nature.** Modernism is a trend of philosophical thought emerged from the beginning of this century. It dissevers human and the objective reality and preaches that human should play the role of subject in the world. Modernists place human above nature and in their opinion human beings have the right to do everything they please to shape, conquer and reform nature. In short term, this thought may help promote the progress of science, but it is a blunder in the long run. If we are accustomed to quick success and instant benefit recklessly, our future will be ruined out of question. We should be sober enough to understand that human and objective reality is an indivisible whole and human can only occupy a reasonable place in the entire ecosystem. Only when human beings help to the co-development of the whole earth’s ecosystem, their self-developing is valuable.
- **Thirdly, Learning Organization with high flexibility and flat structure should be established.** By attaching most importance to human beings, the functions and processes of enterprises should be re-organized and optimized to employ the collective intelligence and individual creativity. Corporate mission is not only to gain profit. As well as its efficiency, whether it contributes to the society and how it grow together with the evolution of the society and nature should be considered critical factors to evaluate a corporation.
- **Fourthly, a new corporate culture and spirit should be cultivated.** By building a new managerial ethics, we emphasize the all-around development of human beings in order to pursue the ideal human nature.
- **Fifthly, Organizational Learning is advocated.** By Organizational Learning and collective learning, organizations will become more energetic and united. At the same time, innovations in management and structure will be achieved continually to keep the competitive advantages.
- **Sixthly, a series of principles on recombination and flat-structure should be adopted to establish new enterprises.** The most important is that we should by all means make every organization a picked and efficient one. All the sectors that do not create any extra value should be chop off completely.
- **Seventhly, strategy and tactics of corporate expansion should be formed in advance.** We believe that theories on merger should be employed to expand Chinese industrial group. The following two points are where the shoe pinches: First, because the objective of mergence is to give our Chinese corporations more competitive capability in the approaching new century, we should always have the future vigor of the corporations in mind no matter whichever forms they take.

Second, the progress should be step by step. Lessons drawn from others' mistakes tell us that the course of the development of Chinese corporate group and multinational corporate group can be shortened markedly. But it is still a wild wish to accomplish the target of establishing numerous corporate groups in one action.

- **Eighthly, the function of government should be brought into full play.** Government is supposed to play the leading role in constructing legal and social environment. From a macroscopic view, government ought to guide our state owned enterprises to establish large groups through reform. But the function of government can not substitute that of the market and government should not be the whole show to intervene a lot. As the case stands, those large groups which government made every effort to set up hurriedly by direct intervention and investment infrequently kept their feet in the arena of market.
- **Ninthly, the sustainable domestic and foreign competitive advantage is determined by two key points.** One is reasonable and scientific organization system and structure, the other is interior managerial model and level. Both of them are dynamic and developing. Comparatively, the former is more stable. In other words, the re-engineering of the organizations is a staggered process which is affected mainly by the economics long-wave. The latter is a permanent topic inside corporations. Only incessant managerial innovations can make a corporation remain invincible.
- **Tenthly, the directive functions of economic theories should be emphasized and quantitative and qualitative research should be combined.** We ought to use some helpful occidental theories about modern corporation for reference, such as bargain charge economics, property economics, stimulation theory, international investment theory, information economics, asymmetric information managerial theory, technical sociology, especially system dynamics, learning organization theory, sustainable development theory, eco-economics, etc. We should digest all above to form a new comprehensive theory and apply it to instruct the formation of our new corporate system and multinational groups.
- **Eleventhly, the situation of our country, locality and enterprises should be considered when tending to the goal of new and ideal corporate system step by step.** Because the development stages of enterprises vary from place to place in China, some traditional organization structure and managerial thoughts can remain in use in a certain period of time. Simultaneously, new managerial philosophy and theory will be adopted gradually to establish new corporate system and to accomplish the target of the foundation of the modern enterprises in the next century.
- **Twelfthly, all the analyses and views above are also widely applicable to nonprofit organizations such as governments and schools.**

We believe that the new organization structure and managerial model will be dominant in China and in the whole globe in the next century, which will bring human beings unprecedented high efficiency and benefit all over the world.

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