

Because of postmodernist changes in economic conditions

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The current business environment is characterized by a considerable level of competitive rivalry and therefore businesses have to constantly reengineer their internal processes in order to build and maintain a competitive advantage. In this respect, a business organization has three strategies at its disposal: differentiation, cost-minimization and focus (cited in Dess, 2007).

Because of postmodernist changes in economic conditions, businesses have been globalizing their operations in order to implement the strategy of cost minimization. This is because in some countries lower labor costs reduce the cost of operations. This enables businesses to build a competitive advantage.

However given the high state of competitive rivalry in the current business environment, achieving sustainability is the critical success factor. Strategies of differentiation, cost minimization and focus cannot meet this objective of achieving sustainability. In order to meet this objective, the top management has to build the right organizational culture.

Organizations structures must adapt constantly to the changes taking place in the external environment. As a result, the process of managing change becomes a critical success factor in the organizational context. When it comes to managing change involving an IT project, the strategic alignment process becomes relevant.

This alignment takes place between IT strategy, business strategy, organizational issues and information systems issues. Managing change is a difficult process because alignment with strategic focus must be maintained. Otherwise the value of managing change will have been lost.

In this regard, the critical consideration is to minimize the level of employee resistance. Most change management projects fail because of employee resistance. However the management can avoid this problem by involving the employees in the process from the beginning. In this respect, building an organizational culture based on ownership, responsibility and accountability is the critical success factor.

This enables the management to enhance employee motivation.

According to Hammer & Champy 1994, the process of reengineering internal business processes is best facilitated through implementing the balanced scorecard methodology. This methodology becomes particularly relevant in the context of David Harvey's account of post-modernity. According to David Harvey's account of post-modernity, the process of international business has facilitated the high speed of labor mobility.

This means that working conditions cannot be monitored sufficiently. This is because businesses are reengineering their internal business processes in terms of globalizing their operations. The balanced scorecard methodology views the organization from four perspectives: financial, customer, learning and growth, and internal business processes.

The advantage in managing change under the framework of the balanced scorecard is that this process emphasizes the interconnectedness between different process chains. This facilitates the development of the project management team.

Because the different process chains are interconnected, managing change means that more than one department will be affected. This enhances the

complexities of managing change. However the management must maintain the continuous improvement program as a result of post-modernity as described by David Harvey.

This is because the rising level of competitive rivalry forces businesses to seek new segments of the market in order to maximize shareholder wealth. This leads to the process of globalization. Normally this would increase the cost of production since the supply chain must be managed on an international basis.

However in the context of post-modernity as described by David Harvey, the management in an international business can conduct the process of global segmentation in order to standardize operations across political boundaries. This facilitates the implementation of the strategy of cost minimization.

This confirms the need for business process reengineering as described by Hammer & Champy, 1994. As a result of this framework for strategy formulation, the competitive advantage becomes sustainable.

One of the critical considerations when it comes to globalization is the need for delegation of authority. This is because consumer tastes and preferences vary across political boundaries. As a result, businesses have to vary their strategies in order to target the local market effectively. However the international business environment is characterized by a fast pace of change and therefore, local business units must be given the autonomy to formulate their own strategies.

However these strategies must be in alignment with the corporate strategic focus. For this reason, delegation of authority must be supported by an

efficient and effective world-wide communications structure. However in the business environment characterized by post-modernity, businesses have to reengineer their internal operations in order to meet the demands of consumerism.

This standardizes demand patterns to some extent and as a result reduces the cost of operations. This also leads to the development of a sustainable competitive advantage.