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NEW CHALLENGES OF CORPORATE MANAGEMENT

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The transformational processes currently going on in the world have changed people's attitude towards many aspects of modern society. So far the human race has lived in its history through two substantial waves of change, "each one largely obliterating earlier cultures or civilizations and replacing them with ways of life inconceivable to those who came before" [5, p.151]. Each wave took a different period to develop, with the speed accelerating along the way: the first wave – the agricultural revolution – was the longest and lasted thousands of years, while the second one – the industrialization era – has lasted for only three hundred years, at present giving way to a new change wave – the information revolution, which is taking us to an era of creativity [5, p.151].

Just a couple of decades ago information was considered to be the main wealth in the market: people paid a lot of money for it, protected it, and even committed crimes trying to obtain it. Today the situation is different, quite paradoxical, when with more, even confidential, information becoming available to public through various channels, you may at the same time have not enough reliable information for making a sound decision. On the corporate level, this leaves businesses with less room for the competitive advantage, which means that the main

resource that can provide a company with some firm ground for successful and competitive development in future is a human being, namely, his creativity, which is a purely human function.

The idea of efficient use of all resources, including human ones, is not new: there are hosts of various seminars, courses and trainings that large companies worldwide organize both for their managers and employees that are aimed at their professional development and boosting their creativity, especially in decision making, but quite often such events have a very short-lasting effect or no effect at all on the overall company's performance.

At the moment there seems to be a strategic need in developing human resources in terms of creativity, taking into account the features of the current transformational processes. This may be vital not only for global, but for national companies as well, as now they are also affected by the global processes and fluctuations in the world market. Besides, C.A. Bartlett and S. Ghoshal argue that "the task of managing across corporate boundaries has much in common with that of managing across national borders" [2, p. 284], and 'building the appropriate organizational capabilities required more than choosing among structural forms, and managing the worldwide company implied more than centralizing or decentralizing decision-making responsibility. The challenge was not to find the structure that provided the best fit, but to build and manage the appropriate decision process – one that could sense and respond to multiple changing environmental demands" [2, p. 286].

Control and coordination in transnational companies (TNCs), which have become "a new master of the world" [1], should be based on the equal use of both formal systems and the socialization of employees, that is, through integrating employees into the corporate community. Though some experts think that today TNCs' management must apply increased formalization in decision-making, others believe that "a competent manager who can no longer depend on 'how it was done before' should change himself into a creative decision maker" [5, p. 152]. This reflects the current tendency that "decision making is on the way to combining science with art" [5, p. 152]. Personal contacts are known to be the primary way of communication, and communication itself forms the basis of corporate management. Within TNCs, this understanding should become vital because nowadays a transnational corporation should be "less a structural classification than a broad organizational concept or philosophy, manifested in organizational capability and management mentality" [2, p. 296].

To develop and implement a new "matrix" of management mentality, a modern company must become a "learning" corporation. For an example of how a company can choose the main parameters for a new mentality, one may think about the approach used by a Dutch company Philips, which at a certain stage of its development realized the complexity of the traditional specialization-based management, when a foreign structural unit or a product division was headed by several functional managers. The company aimed at "despecialization", or training "universal managers", who would be professionals ready to take control of any segment of the production chain and enterprise function. As a result, the company began rotating its managers every two or three years, providing each manager with an opportunity to improve their decision-making skills in different areas and functions. In this case, the mentality of a manager was changed from being highly specialized (tension and misunderstanding between such "highly specialized" managers inside the company used to be the main cause of internal corporate conflicts) to being a "full-scale" manager, which could help the manager develop a better vision of possible consequences of his decisions for the entire company, rather than for a single functional unit.

C. Bartlett and S. Ghoshal emphasize the importance of informal contacts in the process of corporate governance, which resembles some aspects of the Japanese corporate model with its "group" informal management (informal clubs, councils, etc.) and high internal personnel mobility. These features of the Japanese model may have helped Japanese corporations make such an incredible breakthrough onto the international arena in the late 1950s; the phenomenon later became known as "the Japanese miracle". Modern TNCs seem to borrow many features from the Japanese model: decision-making is often moved to the informal level, management has become more task-oriented, rather than process- or direction-oriented, mobility and flexibility are welcome in all aspects of the

company's performance, particularly in relation to the management and sharing knowledge (information). But Japanese companies missed one important element in the management, which their managers later acknowledged themselves and took great pains to make amends for the situation. This element was culture: in Japanese companies a cultural aspect of management was hardly taken into account, not to mention including it into manager-training courses. By now the situation in Japan and in the world in general has changed, as the cultural awareness by managers and even ordinary employees has become a necessity not only for transnationals, but for a number of local European businesses, where the recent inflow of refugees is about to dramatically reshape the labour landscape.

Speaking of corporate management, a corporation is sometimes compared to a living organism, where "formal structure defines and organizations basic anatomy; system and information flows shape its physiology; and culture and values represent its psychology" [2, p. 286]. And all these systems should be managed properly. Accepting this metaphorical description of the company in general, we would like, however, to mention that if the company wants to succeed, then its managers, as well as employees must become an integral part of the company's body and mind, rather than its alien element or sort of "managerial (or production) prothetics". In this regard, Russian transnational companies can hardly be considered to be real transnationals as their management, while trying at least to adopt some best foreign practices of structuring management, make little effort to shape new mentality of the Russian transnational manager.

Having looked into the problem of corporate management in the countries with transition economies, E.Berglöf and E.-L. von Thadden suggested studying them outside the main models of corporate governance, noting that the main management problems for such companies are omnipotent managers and almost complete lack of resistance to them [3], which makes it almost impossible for such companies to use all their potential to the fullest on the global arena.

Remembering that all managers and employees are individuals with their own systems of values, in other words – they all are products of their cultures (national, social, professional, etc.), it becomes clear that in order to develop a successful corporate management system it is imperative nowadays to take into account cross-cultural properties of the interaction of all participants in the process. Only this seems to be able to ensure harmonious and effective performance of such a complex organism as a TNC. For this reason, we believe that the presence of a cross-cultural component in the company's management system should be regarded as a mandatory criterion for considering this company as transnational.

Modern successful managers, in spite of all differences, should have certain features in common: they should think about the future perspectives of their decisions and actions; initiate systems, programs and goals; be realistic in their demands of people and considerate in what they ask of them and how they ask it, recognize people's individuality and their ability to contribute, be tolerant to their failures; and be able to think and communicate clearly and unambiguously [8, p. 103].

As we can see these features mostly relate to the psychology of a company, which means that to succeed in modern business, a company needs to change the ways used in management recently. In the era of creativity, as some scientists say, it is not the environment that it going to be altered, but human mind [1]. Recognizing the numerous economic benefits that can be derived from corporate creativity, companies try to create 'idea-friendly' environments, and educators and consultants develop new creativity training programs and courses on creativity. In order "to foster creativity within the organization, companies should harness employees' potential to become innovative individuals through corporate trainers whose focus is on encouraging employees to exercise their creative powers" [4, p.50]. But here is where a great problem may await, as creativity is an individual-level phenomenon [6], and "creative behaviour is associated with the tension between the human needs for connectedness with, and distinctiveness from, others" [8, p. 99]. In other words, modern managers face a challenging task to develop creativity of people working in big, increasingly multicultural, groups, where in the recent years the mainstream ways of generating ideas and organizing work have been brainstorming and team work. André P.Walton, after studying approaches to creativity in business, proves inefficiency of both, confirming the above challenge. On the one hand, "evidence does not seem to show that groups of people can

outperform the ideation of individuals” [8, p.101], but on the other, no individual, no matter how brilliant, is likely to have the skill set to take projects from start to finish in this fast-paced and complex environment [7]. Being generated by an individual, an idea needs a team to be taken to the market, and an effective manager should be competent in managing this process.

So, the modern world with its dramatic speeds and transformations demand new approaches to managing business, both big and small, national and transnational. The main requirement of succeeding in business today is encouraging creativity in people, which can broaden the innovation horizons and take companies to higher levels of technology. Good news is that creativity is mostly viewed as a skill, which can be taught, learned and developed through practice (Ding, p. 154). But creativity, being individualistic by nature, has to be nourished within groups, or teams, which requires from managers to be knowledgeable in psychology and cultural backgrounds, as well as to be able to make decisions.

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LEGAL PROPERTY TITLES AND ECONOMIC DEVELOPMENT – THE CASE OF GERMANY AND POLAND

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1. Introduction

In 1980 Richard Easterlin asked a famous question to the Economic History Association of the University of Pennsylvania: why is not the whole world developed? It, still remains without a convincing answer. In contrary, seemingly obvious assumptions, on which a dominant neoclassic theory about the market mechanism is based, are shaken by the financial crisis of hitherto successful western economies in 2007. The fundamentals of the economic growth seem to be even more mysterious today than 1980.

The common wisdom nowadays – not least because of the financial crisis – is that institutions matter. However, institutions is a very broad concept. It embraces culture, beliefs,