



Agir€ est soutenu par le Fonds social européen / Art. 6 Actions innovatrices.
Les informations contenues dans cette publication n'engagent pas la Commission européenne.

Conférence finale / Final conference AgirE

New Analytical Framework for Restructuring

Eskil Ekstedt

**Professor in Business Administration and Economic History at the
University of Uppsala, Sweden**



Structural change of industry related activity

- **The long run perspective**
- **Forces of change**
- **The traditional company challenged**



Structural change of Industry related activity

the long run perspective

- Employment is going from agriculture – to manufacturing – to services (variations in pace, scope and timing in the EU - states and regions)
- Job reduction in large workplaces (like manufacturing, retailing, healthcare)
- Job expansion in small knowledge-intensive activities (like business services, distance support, education, stationary care)

Conclusion:

A neo-industrial division of labour is taking form. Services activity complementary to manufacturing is expanding both outside and inside the traditional company (like R&D, education, design, marketing and management) at the same time as the number of employees in traditional manual work is decreasing.

Challenge:

Matching the capabilities of the labour force with the new demand patterns. The transformation is difficult on the individual level (i.e. making a consultant of a manual worker)



The dynamics and forces of change

- Automation of production. The incremental diffusion of modern technology. I.e. ICT is substituting manual work in many branches of manufacturing activity.
- Companies, branches and areas based on the new technology are expanding.
- A new international division of labour (globalisation). The character of internationalisation is transforming from the first degree (export based) to the second degree (establishing daughter companies in other countries) to the third degree (the former daughters becomes strong and independent competitors).

Conclusions:

The focus for top managers in many companies is shifting from manufacturing to i.e. marketing (brand names), finance, development and design. The value from manufacturing sector is still increasing.

Challenge:

There is a risk that outsourcing of development activity may follow outsourcing of production units. By creating attractive environment for contacts between development and production units like clusters of Triple Helix character (company, university and authority) this risk may be reduced.



The traditional Company is Challenged

- The Challenge from the Outside. The company is seen as one actor in a wider system: Networks (i.e. Uppsala School of networks), innovation systems, Development blocks, Knowledge blocks and Clusters (Porter).
- The Challenge from the Inside. Economic activity is “projectified” (Team, Time and Task). Project based organisations (PBOs) in i.e. IT, media and management are increasing in numbers. Projects dealing with i.e. R&D, marketing, design in traditional organisations (PTOs), are becoming more common. Many of these projects are inter-organisational IOPs) and also related to Networks.

Conclusion:

The traditional company becomes blurry both as phenomena and in our minds: i.e. there are both real clusters and “wishful thinking” clusters. More and more of the economic activity are performed in temporary organisations consisting of members from many different organisations and also self-employed.

Challenge:

To develop and adjust formal and informal institutions, once made for the traditional industrial system, to better fit the “neo-industrial” order now evolving in the European business- and working life. We have to be innovative when coping with the process of reconstruction in this new environment.