



# Modern Problems of Economics and Management

Sarkar. S, Erochkina. O.A

Saint Petersburg State Electro technical university "LETI" named  
after VI Ulyanov (Lenin), Saint Petersburg Russia

---

**Abstract** – The 21st century was marked by countless changes and upheavals around the world that very much revealed a new age. This era of fast, sudden, and omnipresent change has serious implications for our future. In today's fast-paced world, each organization needs new tools and methods to strengthen its effectiveness. Strong competition in the worldwide marketplace requires organizations to figure out ways to be competitive. Competitive advantage is achieved only by organizations that are ready for extreme changes and employ techniques and concepts of non-stop improvement. In order to obtain a competitive advantage, the context of continuous quick globalization, change, and development drives fresh ideas about the modes of activity and roles of organizations. New management strategies, such as a process-oriented approach, are necessary. Modern management is the foundation for creating a successful, market-competitive organization. To answer these issues, the study will focus on analyzing management theories and particular elements that separate today's management from previous eras. Therefore, managers in modern businesses must recognize the critical role they play in helping their organizations accomplish their objectives. For this goal to be achieved, it is vital to apply modern achievements and technology in organizational management.

**Keywords** – *Modern management; new era; Change; Challenges; Globalization; Contemporary theories*

---

## I. INTRODUCTION

Management principles and theories have undergone major changes and significant transitions through different epochs in history. These alterations have majorly been influenced by emerging criticism and changing times, which have necessitated the adoption of matching strategic leadership plans that can resonate with every period in history. Peering back into history, the management realm has undergone sweeping alterations and seismic shifts, which have been occasioned by changes in social dynamics, leadership transitions, economic crises, and changes in monetary policies

(Wren & Bedeian; 2020 Ferdous, 2016). All these have had a major impact on the shape and stability of managerial roles, thus occasioning leadership adjustments. For instance, the management suffered through the 2008 economic downturn and the Great Depression. Most recently, the COVID-19 pandemic has affected the way businesses conduct their activities. During the pandemic period, when governments across the globe imposed stringent rules limiting movement and people interaction to curb the spread of the deadly and highly contagious disease, the management suffered massively. This is because it was subjected to unplaced recalibration and process adjustments to enable the business to match the specific challenges of the problems (Vavrek et al., 2019). Initiating change in relation to the shifting times is core to remaining relevant and competitive, thus enabling the management to perform at the optimal state. All through this period, management practices have undergone major challenges in the attempt to overcome the presented obstacles. Therefore, the paper shall discuss how modern management has been shaped and affected by societal dynamics, thus posing challenges in the ways that these

businesses run their activities in the current highly competitive working environment.

## II. LITERATURE REVIEW

As a result, this body of research highlights the fact that management is both a vital component and an instrument in the process of coordinating efforts. In addition, given the fact that our society is getting ever more crowded, the position of management has taken on a significance that is both significant and unavoidable. In addition, the management of people has become increasingly complex, which necessitates the development of more strong processes in order to achieve seamless leadership. It was revealed in these publications, which were prepared with the intention of demystifying the dynamics of management and leadership, that management has a transforming impact on the social and economic elements in developed countries. In addition, management has been a crucial pillar in the construction of the global economy, as well as the creation of regulations that govern how the parties interested in participating in the global economies ought to work.

## III. METHODOLOGY

This paper has majorly drawn its supporting evidence from a broad range of credible scholarly sources. These are materials containing scientific research from different periods in recent human history, thus mapping the issue into its real position. Moreover, using evidence from different times allowed the examination of the research evolution that has occurred throughout history. Similarly, using sources from different scholars provided a basis for the evaluation of facts and establishment of common facts, thus examining the consistency of the research. Therefore,



it majorly focused on secondary sources for reducing the study period while allowing the integration of various studies, which leads to more plausible conclusions.

## V. RESULTS

There has been a major shift in management strategies when compared to the previous management techniques. While the past management practices were based on theories and principles, the 21st century has been greatly influenced by technological improvements that are becoming complicated by the day. Moreover, it has been found that the past theories and practices in management are essential determinants of them as they provide and backdrop for establishing a stronger future leadership (Khorasani & Almasifard, 2017). However, due to the stated technological advancements, past strategies cannot be fully reliable in managing modern-day issues but can provide useful information about the estimated projection and ways in which businesses should respond to uncertainties (Wilson & Campbell, 2020). Therefore, management is a product of continuous research and accumulated evolution of theories to the management seen today. The point that management is crucial in coordinating working plans makes it an essential element in the modern workplace where workplace responsibilities are group-based, requiring management to keep the operations smooth.

## V. DISCUSSION

The present-day managers have the responsibility of providing the needed managerial competence for dealing with the unfolding challenges in management, which are bigger and more sophisticated in the globalized market (Belyaeva, 2018). Therefore, management requires multipronged and holistic attention to all the aspects of the economy and the past practices in running businesses. Most recently, there has been a shift and revolution of theories as managers attempt to come up with leadership approaches pertinent to the dynamics of the 21st-century marketplace. One of the notable transitions is the shift from bureaucratic leadership to a transformative managerial approach for aligning with the current need for the involvement of all players in the business (Wawak & Woźniak, 2020; Amankwah- Amoah & Wang, 2019). In parallel, citizens have been empowered by the 21st-century technological advancement, which has birthed social media, a powerful communication tool that allows seamless and seamless conveyance of information. Therefore, customers have a good wealth of information about the market, thus placing businesses in a precarious state as the operations have to be conducted in an elaborate open, and transparent manner to prevent reputational damage (Virtanen & Vakkuri, 2016). In parallel, the modern workplace allows managers to impose financial and non-financial controls to keep track of the movement of money and operations in general within an organization (Stone, 2016). Therefore, human resource management has

undergone tremendous change leading to new levels of performance (Podgorodnichenko et al., 2020). However, there remuneration related issues due to an increase in minimum wages and consistent calls for better workplace conditions.

## VI. CONCLUSIONS

Nevertheless, the management principles and theories accessible today are the results of laborious and devoted research work carried out by a diverse class of academics. These academics have assisted in the formulation of strategies for manning employees and resources for the optimization of practices to keep businesses in the best state and shape possible. The most essential and detailed topic that this article has covered is the modern challenges that are faced by management, as well as the potential solutions to these problems. The enterprises, on the other hand, are built on the foundation of contemporary technology. As a result of the most recent burst of technological innovation, managers now have a fantastic opportunity to make use of the readily available technologies, such as dependable software, in order to triumph over the challenges posed by the existing level of competition as well as the challenges posed by economic downturns.

## REFERENCES

1. Amankwah-Amoah, J., & Wang, X. (2019). Opening editorial: Contemporary business risks: An overview and new research agenda. *Journal of Business Research*, 97, 208-211.
2. Belyaeva, Z. (2018). Business environment challenges and trends for contemporary SMEs in Europe. The sustainable marketing concept in European SMEs.
3. Ferdous, J. (2016). Organization theories: From classical perspective. *International Journal of Business, Economics and Law*, 9(2), 1-6.
4. Khorasani, S. T., & Almasifard, M. (2017). Evolution of management theory within 20 century: A systemic overview of paradigm shifts in management. *International Review of Management and Marketing*, 7(3), 134-137.
5. Podgorodnichenko, N., Edgar, F., & McAndrew, I. (2020). The role of HRM in developing sustainable organizations: Contemporary challenges and contradictions. *Human Resource Management Review*, 30(3), 100685.
6. Stone, R. (2016). Fraud, security, and controls in small businesses: A proposed research agenda. *Journal of Business*, 1(3), 15-21.
7. Vavrek, M., Holubová, I., & Scherzinger, S. (2019). MM-evolver: A Multi-model Evolution Management Tool. In *EDBT* (Vol. 19, pp. 586-589).
8. Virtanen, P., & Vakkuri, J. (2016). Searching for organizational intelligence in the evolution of public-sector performance management. *The NISPAcee*



Journal of Public Administration and Policy, 8(2), 89-99.

9. Wren, D. A., & Bedeian, A. G. (2020). The evolution of management thought. John Wiley & Sons.
10. Wilson, J. P., & Campbell, L. (2020). ISO 9001: 2015: the evolution and convergence of quality management and knowledge management for competitive advantage. *Total Quality Management & Business Excellence*, 31(7-8), 761-776.
11. Wawak, S., & Woźniak, K. (2020). Evolution of project management studies in the XXI century. *International Journal of Managing Projects in Business*, 13(4), 867- 888.