



## Reflections Organising tomorrow

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Available online 5 December 2005

Today it is usual to apply for a bank loan over the phone. And to get it approved within a few days.

Not so long ago you would have waited outside the manager's office for an interview, sweating on the chances of approval and on signing your life away. Now, at an Australian surfing beach resort, a 'mobile loans officer' will call on you in the home, at the workplace or on the beach. So says the sign above the customer service counter, where the bank's front-line staff are now as close as you get to seeing the manager. The loans officer that calls on you is charged with quickly getting money out on loan.

After the loan is approved you have to deal with the call centre, the hub of that annoying system, with its recorded instructions and unwanted music, which obfuscates the painstaking process of setting up the account to gain access to the loan funds. And just try getting the same call-centre operator next time. Hopefully you will get a live operator.

If anything goes wrong, and it most surely will, do not bother going higher than the counter staff. They are the people most likely to be friendly. The staff who work behind the wall do not even try to smile: they are too busy and just as stressed as the customer. A manager told me recently, all staff are well behind in taking their recreation leave.

Waiting at the counter some weeks later, impatient with the waiting and the paperwork to 'electronically' transfer money overseas, I see the signs again for the mobile loans officer. Below is another sign: 'Short of time?' Yes, I am. So, what is the purpose of these organisational 'efficiencies'? Are they aimed at helping the customer? No. Nor the staff. They must impress the institutional lenders and fund managers who decide how to value the bank's share price. And let us not forget the people who sold the information technology for the banking system. No longer: the customer is king (sic).

Welcome to the present-day organisation, one of our longest-surviving and most pervasive social technologies, much less tangible than ubiquitous hardware technologies, yet critical to successful human transactions [4].

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Will things get more efficient in future as global markets become more aggressively competitive? Will we move beyond the notion of continued economic growth and technological evolution at a pace that overtakes nature? Will we return to the notion of business as a service to society, rather than to itself?

In business, or otherwise, how will we organise our affairs in future? What will future organisations look like, at least in the industrialised world?

## 1. Evolution of organisation

But, what has been the history of the organisation in Western society? The classic organisation today is for business, particularly the corporation and some smaller firms. The corporation, however, is now the role model for government and even for certain groups in civil society.

If we go back 200 years, into the early days of industrialisation, we see the social instrument forming that has emerged into today's dominant organisation for large-scale business in the hands of professional managers.

Before that, the big organisations were the church and the army. At a much smaller scale there were small trading firms, merchant ships, the family farm or business, and the family itself. As early industrial-age organisations grew in size, they first borrowed from the army and the church, particularly in the use of top-down control.

By the early 20th century, top-down control was still a feature, while the novel focus was efficiency. We saw organisations modelled on what Raymond Miles [3] called the classical theories. All three of them were mechanistic and consider organisations to be tools in the hands of managers, some sharper instruments than others.

One model, bureaucratic management, borrowed from sociologist, Max Weber. It saw bureaucracies as the most logical and rational structures for large organisations. Rules were used for enacting legal, top-down authority. Efficiency was sought through the division of labour and the appointment of employees according to expertise.

Scientific management, best known for the work methods devised and tested by Frederick Taylor, sought to increase productivity. Taylor broke work down into its elements. He timed each with a stopwatch. This allowed him to redesign the task to reduce operations, effort and risk in order to increase productivity under strict control.

Administrative management was concerned primarily with managers and their role. French industrialist, Henri Fayol's had a framework to study how managers plan, organize, command, coordinate and control in a tightly disciplined, centralised and stable structure.

The human relations school emerged in the 1920s to deal with human and behavioural aspects which had been neglected by the classical school. The seminal work of researchers from the Harvard Business School, in the Hawthorne Studies, identified the bias in people who knew they were research subjects and showed the importance of human factors on productivity. But workers were still seen as cogs in the organisational wheel, as a tool for creating the future—someone else's future.

By the early 1950s, the human resources school came with a realisation that the behavioural approach was limited for assuring productivity. It recognised that employees had creativity and skills which could be harnessed by management when given meaningful work and a chance to take part in making decisions. The sociologists and psychologists brought their concepts to the field of management and its theories, and to organisational change. Certain authors introduced

notions that workers could expect to share in the benefits of organisational life, if not always in the financial rewards. Briefly, the idea of industrial democracy crept into some of the text books.

## **2. Dollars or people?**

By the 1980s, the bean counters had come to prevail over organisational change agents. We saw a new fad come of age in the 1970s, the MBA—Master of Business Administration. High-flying young management scientists with an MBA in their suit pockets sought to take charge via both the executive suite and the emerging merchant banks. They emulated their heroes from the US consulting firms such as McKinsey and Co. The organisation had become the new stage for a celebrity career.

The MBAs made financial analysis more important than workplace psychoanalysis and counselling. The chief financial officer pushed aside the accountants, too, being charged with optimising the value of traded shares. This also assured the corporate leaders of their financial incentives, contracted in their packages. Effectively, business organisations submitted to outside control, from the financial analysts with their own MBAs.

As the 1990s rolled into the new century, there were other outside influences. While the free-market ideology gained still wider currency, there were countervailing checks and balances from regulatory agencies. They fuelled a transformation from the idea of human resources to the idea of human resource management, the managerialist task of accounting for workplace conditions such as health and safety. Other regulators were kept busy investigating and cleaning up. Fraud and management negligence, often in spectacular proportions, saw the prisons open their doors to new inmates with MBAs.

Beneath the top layers of financial control, a few new theoretical models of organisation emerged. Practical experience and systems thinking suggested that selected elements could be integrated in new models that would suit conditions in the workplace and the organisation's environment.

Earlier we had seen progression from the mechanistic, in the classical models, to the organic in the theories of organisational-change. Now the fashion stems from the application of new knowledge in the natural sciences. We see organisations professing non-linear patterns of change to fit theories of chaos, complexity and paradox. Organisations are reengineered as 'complex adaptive systems', or reorganised to 'fit' the corporate ecology. There are matrix and network management structures and a yen for knowledge management. But the big fashion demands adapting to the global 'free' market and its economic fundamentalism. The new fashions eclipse that of 'total quality management', popular only a few years ago, and intended to protect the customer.

In today's mixed bag, we have organisations being resized after suffering from earlier 'downsizing', a code for reducing the number of employees for the sake of efficiencies. The loss of corporate memory and expertise in the middle ranks is being missed. Such is the insecurity and the pace of modern corporate life that some of the baby-boom generation are opting to downshift [1]: taking a drop in income to do something more meaningful in life.

It is no wonder that some self-help paperbacks, and some serious practitioners, have come full circle to advocate sticking with the knitting—doing well the job an organisation knows best, turning away from the plethora of gurus. But the highly visible organisations are still those in the theatre of rough-and-tumble business and high finance.

### 3. Emerging models

Not all today's management is totally aggressive. Some have remained faithful to the creative nurturing leadership suggested by the organisational theories that emerged in the last quarter of the last century from social psychology and sociology. Here visionary leadership and learning are more highly valued.

There are examples of organisations that demand full-scale contributions from their staff, but in return are prepared to compensate them for disruptions to their personal life. Harvard researcher, Ibrahim Warde [5], has described the 'corporate campus', invented by new-economy giants such as Microsoft and Amazon. It comes with child care, exercise facilities, cafes, therapists, grief counsellors, laundry, post office, bookshop, break rooms stocked with soft drinks and aspirin, and even a concierge service to order flowers and buy theatre tickets. This sounds more like the patronage of the traditional Japanese company before many of them Westernised.

But the campus has not muffled all the grumbling in the corridors. The grumbling began back in the 1980s when the idea of corporate loyalty went down the chute. People had been expected to be loyal to the company. In return, they could expect loyalty back down the line. But this was the era when middle management became unfashionable. Once-loyal, middle-ranking managers were sent out to pasture, many still in young middle age. Those who remained came to question loyalty. It was no longer mutual. Who would be the next to go? Along with loyalty to the firm, job security has been shaky ever since, at any spot on the corporate lattice.

An analysis of the styles of today's organisations, their management and the people in them, reveals two main features. On the one hand, there is the quest for power and control, usually from the top down. On the other, there is a counter to arrogant self-interest, usually from the bottom up, with a desire to serve society, to be creative and to find job satisfaction.

There have been varying attempts at being inclusionary; to integrate the goals of owners, technocrats or top management with the human needs of the staff and employees; and to integrate all this with the needs of society. But far from all organisations have achieved such integration in most dimensions of the firm. Notable exceptions are found in the non-profit sector.

### 4. Tomorrow's organisations?

Given this background, what will organisations look like in another 200 years?

At least two pathways are clear, at least for the short term, say, in the next ten years. Beyond that horizon, forecasting can be futile.

The first pathway to 2015 would see organisations continue as tools in the hands of their controllers, to achieve certain preordained targets set from the top. Let us call them the *Just-do-it* organisations, the bullet trains that rush hell-bent to meet short-term goals.

Along the second pathway, we would see organisations that have become more enmeshed in human society. Their purpose would be to achieve a range of goals for all or most participants, and for the wider community. In such organisations both the goals, and the ways to achieve them, would be determined by the internal participants themselves, in their interactions together and in partnerships with their outside stakeholders. Otto Lerbinger [2] saw these stakeholders as the suppliers, investors, the neighbouring community, regulators and others, on what he called an 'extended organisation chart'. Let us call such social systems, *Organic* organisations.

They would be more vitally aware of their social context and would be more likely to have long-term horizons, well beyond the more common five-year plan. They would take more responsibility for the longer-term consequences of their policies and actions, today. Many would have an inclination to partnership, to co-evolving (in mutual adjustment) with their social and natural environment.

I do not limit these two examples to the business firm. They apply whether the organisation's main realm is business, government or community. But business is more likely to continue on the Just-do-it line. Just-do-it organisations would be sharp instruments for achieving goals set at the top. Technology and the market would rate ahead of people and community. They would continue to covet global power and status.

Organic organisations (the redundancy is instructive of the alternative theme) would be seen as teams in networks. The goals, and the means for achieving them, would not necessarily be imposed by the most powerful stakeholders.

## 5. Beyond expediency

Organic organisations can taste of idealism or wishful thinking. But there are examples being developed, at least using some of the features. The danger is that they can succumb, in the short-term, to fatal competition from the Just-do-it's. Those that persist would benefit in the long run, as would their stakeholders. There would be room for older citizens to make significant contributions. There would be no fear of age, class, gender, ethnicity, education. Internal participants would not necessarily be expected to work long hours at a frenetic pace in a relentless drive to lift productivity. There would be other yardsticks besides efficiency, such as providing a needed community service. And there would be organisations specifically intending to pave the way for future generations. In Australia, examples would be Landcare and Greening Australia.

Organic organisations would particularly value:

Long-term thinking—considering the implications for future generations—taking responsibility for the unborn.

Collaboration as more appropriate than competition for forming lasting relationships; 'Win-win' outcomes, with benefits for investors and society; employees and customers;

Open negotiation instead of closed-door deal-making;

Collaboration in place of divide-and-rule, or automatic opposition and argument; business and government in the service of all, not just the biggest or wealthiest; and recognition and understanding of other mindsets and beliefs.

An attraction to business could be the fact that Organic organisations would earn the social right to operate through a demonstrated respect for their community, culture and ecology.

## 6. What of technology?

In talking about tomorrow's organisations, people usually demand to know what their technology would look like. The Just-do-it organisations would almost certainly expect technology to enhance their role. But they would usually see it as an end in itself. However, would they balk at using robots and artificial intelligence to replace people, regardless of the social consequences and loss of consumers?

Organic organisations would not be opposed to technology. They would use it appropriately, putting people and ideas first. And they would favour technologies that mesh with the processes of nature, as in judo, rather than push and pull against it. Such technologies would tread lightly on the planet, relying on renewable energy resources.

Even in a world, where Just-do-it organisations prevail, the caring professions would continue to rely on people. Carers may find helpful uses for certain new technologies. But technology can not replace caring as easily as it can in many other jobs. Caring is one of the few callings where people cannot be replaced by robots.

## **7. Other models**

Just what elements of these two typologies are taken up will depend on the culture of our societies at the time, whether human societies become even more competitive or change to a more collaborative and less exclusionary style.

It is not realistic to suggest only two organisational styles for tomorrow. There could be some combination of the elements of each. There could be community networks of smaller community groups, even a return to the family, but most likely an extended family. There could be partnering among various organisations linked by their common interests, as in Lerbinger's extended organisation chart. Strategic alliances already exist, where one company prefers to partner with a supplier company rather than produce parts or provide service accounting in-house. And there could be something more unimaginable.

What is little anticipated is how the very social technology of a future organisation can represent the real breakthrough. This may need coordination, rather than control, when a network of organisations has more than one seat of power. What new theories that will inform management and organisation?

Organising tomorrow almost certainly will need to deal imaginatively with the uncertainties and complexities that lie ahead, including:

Geopolitics and global trade, especially contending with the growing economies of China and India and their competition with the US, Japan and Europe; and the opposing anti-globalisation movement.

Economic-first thinking and the backlashes to consumerism.

Corporatisation and failed states, in a world slowly recognising a new, cooperative economics.

Terrorism and militancy, amid budding sentiments for peace.

Increasing standards of living, measured as averages, while the gap widens in wealth and knowledge.

New fundamentalisms and demands for human rights.

New viruses and potential epidemics threatening impressive health-delivery technologies while interest grows in alternative therapies.

The uncertainties of converging technologies in a post-human world and sympathies for retaining our humanity as part of nature.

This will be the context as humankind moves towards new cultures. Will we strengthen the emerging role as creator, engineering and modifying living organisms via biotechnology and artificial intelligence? What ethics will inform the organising of tomorrow?

## **References**

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