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PROGRAMME: "NICE WORK"

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LAMB: Hello. We hear a lot about how work is changing nowadays, and it is. Many people are doing jobs that didn't exist even 20 years ago and technology has transformed working life for many of us. But some experts believe that there are even bigger changes on the way and they're not about new technology, they're about people demanding more from their jobs than just money. In today's developed world many workers say they want to feel inspired and fulfilled. They want to believe that what they do everyday makes a difference to the organisation which pays them and they want their bosses to give them more control and more freedom. Now demands like that are a tall order for employers but they know they can't afford to ignore them. Workers, particularly younger workers, are in increasingly short supply and competition to recruit them is already fierce. So do employers need to completely reinvent the way they manage people and is this, as many experts believe, the most important challenge they'll face in the next 25 years. This week we're going to be asking four of the leading thinkers in the field of people management and work about the big changes they expect to see by 2030. We chose two Americans, Rosabeth Moss Kanter, Professor of Business Administration at Harvard Business School and Professor Gary Hamel, management guru and visiting Professor at the London Business School. From the UK we have Lord Wilson, a former cabinet secretary and president of the leading people management body, the Chartered Institute of Personnel and Development, and Charles Handy who's often described as the most highly respected British management guru. I began by asking each of them to look backwards and to identify with the benefit of hindsight what they now see as the most significant shift in our working lives in the past 20 years. We start with Rosabeth Moss Kanter.

MOSS KANTER: The most significant has to be the entrance of women in large numbers into companies, absolutely. When I was young, I won't say how young, and starting to consult to big companies, I was watching some of the first women enter the sales force, the lower rungs, and now I'm not sure we've made enough progress but we have women CEOs, we have women in significant

positions. We have a sense of possibility that wasn't there 25 years ago. I think that's incredibly important.

HAMEL: I think probably the single biggest thing that's changed in work, and it's not universal, is that I think companies really woke up over the last couple of decades to the fact that their employers actually have brains. We less and less look at human beings as kind of mere adjuncts to machines or adjuncts to some rote process and we actually look at them as people who can solve problems, make a much bigger difference than I think would have been true a generation or two ago.

LORD WILSON: The generation of people who were grateful for public services and were prepared to put up with long queues and dusty waiting rooms with lots of bureaucracy and would have thought of services from the state as the gift of a benign state, they no longer exist. What you now have are people are demanding, who've paid their taxes, want high quality services and the same is true of the workforce. What people in public services or in private businesses, what they all want is to be given an opportunity to have a say in how their work is organised. They're much more demanding of the way that they're managed, of the way that they're led, and they know that they have something to contribute and they want to be allowed to contribute, and also to have some control over the way that their work is organised

LAMB: Interestingly, they all see the big changes as being about people and their attitudes. But how did all that affect the way we worked. Here's Charles Handy.

HANDY: I would say led by the decline of the manufacturing sector, the growth of the service sector, the growth of information technology and so on, we've got this new kind of dispersed organisation affect. You don't need all the people in the same place at the same time to get work done which allows organisations to spread themselves much more thinly but it allows people to set up

their own mini organisations and link in with bigger organisations. What I call flea organisations linking to the elephants. That changes people's perspectives on work and so on quite fundamentally, I think. There is now a whole range of possibilities of independent working, part-time working and flexible working and so on which really didn't exist 20 years ago.

LAMB: So how will work evolve and will technology really make a fundamental and a positive difference to the ways in which we'll all be working in the years to come. Rosabeth Moss Kanter is Professor of Business Administration at Harvard Business School, a best selling author and consultant to companies and governments world-wide and she isn't convinced that it will.

MOSS KANTER: The technology is a tool and it's an incredibly important tool. We can't live without it in a certain way, it has enabled more communication, more information sharing, greater speed, but it's a tool. It doesn't transform a company without a culture of cooperation. For example, it doesn't transform a company without people that can make decisions based on the information in the technology. We've always been automating functions. So that's been going on since the start of the industrial age.

LAMB: One of the things that the technology was supposed to do for us, they were telling us this 20, 25 years ago, was that workers would have more time off, we would have more leisure. It just hasn't happened, has it? Why do you think that is?

MOSS KANTER: Because work has started to penetrate so many parts of life. It's hard to tell when you're working or not working. So the people who take their personal digital assistant to the beach, I don't like those kinds of people. I actually am an advocate of change, but I don't have a personal digital assistant, mostly because I think it's wonderful to have times when people can't find you or expect to hear instantly. In the United States hours of work are going up. Some of that is competitive pressures in an economy where people felt they were slipping unless

they worked really hard. All kinds of linear assumptions, like we have technology, therefore we'll work less, turn out to be more complicated because of again people and how people tend to use these devices and people like to communicate. On the other hand, it creates more work for everybody else. So if I can email my 100 best work colleagues and copy them in on everything, suddenly they have more to respond to and think about. So it's also created overload because of how much easier it is to share information.

LAMB: For Professor Moss Kanter, successful companies will be the ones where the management learns to inspire all the staff from top to bottom with confidence. This, she believes, is the foundation of all winning organisations. It's the subject of her latest book and it was the theme of her address to delegates at the recent annual conference of the Chartered Institute of Personnel and Development.

MOSS KANTER: I saw this in the turnaround of Continental Airlines which has been very successful compared to other American airlines in a very troubled environment, in part because of this culture of confidence, where they made people feel really good about themselves, their team, and the ways the company would support them. One was that they created a goal, I call it a collective definition of success that everybody cared about. It was on time arrivals, on time performance, because delayed and cancelled flights cost the airlines a lot of money, but they also made the employees' lives miserable. Customers hated it, customers took it out on the employees. Everybody wanted to keep those planes flying and the new chief executive of Continental said, that "in any quarter in which we can go from the bottom to the top four in the rankings, I will share half the cost savings because cost of delayed and cancelled flights was high." He said, "I'll share it equally with every person in the organisation", which came to a whopping big deal, \$65 a person, practically nothing. But the symbolism of saying we're in this together, and there's something you can do to make a difference was so motivating and inspiring to people that they made that change. It didn't even take one quarter. In the first month they went up to the highest group in the

rankings because of employee effort initiative enthusiasm and they continued that kind of culture of high involvement.

LAMB: What better way for Continental Airlines to put their new management theories to the test than when they found themselves faced with an unexpected crisis.

MOSS KANTER: They were affected by a huge power blackout in the United States in the summer of 2003 and nobody called in sick, even though airports were closing, flights were being cancelled because there was no electricity. They went to the airport, they kept their planes flying, people felt pride, and it was everybody. It was flight attendants and reservations clerks and people who were in the call centres answering customers' questions. They all cared about that goal and felt they were on the team. And it was an amazing story because during the power blackout, several airports were closed. All the other airlines cancelled hundreds of flights, Continental flew practically all of their flights. They had to cancel a few and they ended up taking up the stranded passengers from the other airlines and they made \$4 million a day above their forecasts for the two worst disaster days the airlines had had since the terrorist attacks in New York on 9/11. So that's inspiration.

LAMB: As a former head of the Civil Service, Lord Wilson knows a great deal about managing large organisations. The Civil Service, is one of the UK's biggest employers with nearly half a million staff on the books. Alongside his role as the Head of the CIPD, he's also Master of Emmanuel College Cambridge and he believes that attitudes towards work among young people are shifting.

WILSON: People spend most of their time in their workplace and young people, if you talk to them, are very clear that the idea of a career in which you join a job and you stay in that job or in that organisation for 30, 40 years, that concept has gone. I'm Master of a Cambridge College, we had a reunion of people

in their early 30s the other day. Most of them had actually tried out two or three jobs. There are some areas where people tend to stay in the same occupation, I think medicine being a good example of that. But many more people now try things out. They're demanding. They want to see whether they can find an organisation which suits them where they can contribute which they think is well run, is what Rosabeth Moss Kanter would call a "winning organisation" and if what they're doing doesn't have the things that they require from their work, they have no hesitation in moving on somewhere else. And that has a fundamental impact on the way that you run an organisation and the way you get the best out of people.

LAMB: I can quite see how for, the sort of students you're talking about, Cambridge students, graduates, undergraduates, the prospect of a varied and challenging career where they're in control is a very exciting prospect. But what about the thousands of people who don't have the sort of intellectual capabilities, that sort of education and can't expect to have those sort of jobs?

WILSON: What I said applies just as much to people who are on the shop floor or who are delivering a public service. It applies at every level and I'm certainly not saying something which is about middle class or particularly talented people. If you look at the CIPD research, the psychological contract is the contract between individuals in the organisation and people demand at all levels the ability to influence the way their work is organised, to contribute to fresh thinking and to not just be told what to do and expected to get on with it without having any say. And of course what is crucial for businesses, and why this is so important, is that those organisations which understand this, which recognise that they have terrific talent locked up in their staff, which they usually do not use, or fully realise, those organisations which understand that, are the ones which are winning, are the ones which are successful, are the ones therefore which people want to work in.

LAMB: Now Lord Wilson mentioned success there and it's an interesting word in the context of work because it means such different things to

different people. Charles Handy is Britain's most eminent management guru with a host of academic and literary successes to his credit. An inspirational writer, he describes himself as a social philosopher and for him succeeding involves a great deal more than just winning.

HANDY: I think that we have defined success at work purely in terms of organisational positioning. If you're in the winning team, that's wonderful, but if you're outside the winning team, it's not so great. I'm all in favour of organisations having the sort of hyped up, "we will win" kind of situation. But it doesn't apply to most people in most forms of work. I'm not quite sure how a hospital wins in that sense. I'm not quite sure how the licensing authority in Britain actually wins. But I think success is not just winning. Success is doing something rather well, or as well as you possibly can, and I think that that applies not just to organisations but to individuals, and I think individuals want to live their life as well as they possibly can. And either they have to give a limited amount of that life to the organisation so that they can develop their other interests outside the organisation, which a lot of people choose to do and work part-time and spend the other half of their life doing other things. Or the organisation really has to make sure that they have a chance to fulfil and be successful in their work in the organisation, otherwise they will have very frustrated people who feel that they are wasting their life just in order to earn a living. So I think we've got to take success at the individual level much more seriously in our organisations and give people a chance to show that they have something that they can offer to the world through the organisation.

LAMB: How are organisations going to do that? They're all facing the prospect of workers staying in work for longer than perhaps many of us expected to do. The idea of retirement at 55, 60 is virtually gone, people are now being told they'll need to work until they're at least 70. How do organisations motivate and enthuse people to continue working for that period of time?

WILSON: Well I think it gets less difficult as people get older actually because they have lower expectations of what they want from the organisation. I think they will want to work less intensively as they get older and organisations need to be prepared to employ people for 3 days a week or 4 days a week so that there is room for other things in life. But given that they're going to work for 3 days or 4 days, they're not going to try and climb the ladder any higher. What they're coming for is the feeling that they can contribute, that they're still valuable, that their time is worth somebody else's money. They're coming for the sense of community. So I think people will genuinely want to go to work, actually, when they think about it. Provided the work isn't too stressful, they will endure a relatively static kind of career for a period of ten years and be quite content with that because it won't be the whole of their life, and another lot of people will actually want to go independent and increasingly people in their 50s, it seems to me, will grow out of organisations and will want more freedom and the only way they get the freedom is by going independent.

LAMB: The concept of independent portfolio working was Charles Handy's big idea back in the 1980s. It was all about people becoming self-employed and taking on a range of jobs. It hasn't expanded as quickly as he predicted back then, but he does still believe that it will appeal to large numbers of 21st century workers, particularly older people.

HANDY: What's very important there is that they have a skill set that they get turned into product which people are prepared to buy. Once they've done that, they can go on doing that as long as they feel energetic. One of the nice things about being independent, it's not age related. Provided you can deliver the product but you will probably work less intensively.

LAMB: So do you see a future where perhaps younger workers will work for large organisations, elephant organisations, in your terms, learn skills, be preoccupied with winning in perhaps its most basic and linear sense and then as they become older, they then become your vision of portfolio workers where they

do different jobs for different reasons -- some for reasons of earning money, some for reasons of personal satisfaction. Is that the model you see?

HANDY: Well not for everybody but increasingly for the professional class, yes, because they have saleable skills and it would be very easy for them and they will want more freedom than the organisation will allow them, because one of the problems about being a professional, as you get better and more senior they turn you into a manager. Not everybody wants to do that. So yes more and more professionals I think will get tired of organisations in their 40s/50s and if they've got any gumption will leave and it will be fairly easy for them.

LAMB: What about the rest?

HANDY: The problem for the rest is much more difficult because they probably don't have saleable skills or if they do, they don't recognise that they've got saleable skills. I mean they may be frankly good at actually organising a small group of women, for instance, to deliver some sort of service, but they don't see themselves as entrepreneurs, they don't see themselves as starting things. They're still the sort of people who wait for things to come into them and they are assigned tasks and then they can take those tasks up. It's quite a different matter when you have to be initiating all those tasks yourselves. They're not trained to do that and they'd be very frightened of doing that.

LAMB: But this is the vast proportion of the working population, isn't it, we're talking about?

HANDY: This is most of the working population. So come 55, come 60, their energies are slowing down actually and yes, they would still be useful on a part-time basis.

LAMB: Are you optimistic about the next 25 years for working people, or are you worried about this polarisation of the workforce into a small

group who have fantastic opportunities and liberty and self-determination and a mass of people who just won't?

HANDY: I'm hopeful and optimistic for those people who are either women or who are able to think and behave like most women, because I think what we're interestingly entering is a much more feminised sort of world. Not in the sort of sexual stereotypes or anything but in the way that people work and think. It seems to me women are much more interested in collaborating to get the job done as opposed to men who tend to want the status and to work through formal authority and formal positions and so on which won't work because organisations have got to become very flexible, increasingly disbursed, increasingly allowing people to work in what I call globules or large doughnuts of 50 or 60 people and have to be very adaptable and those globules will be closed down every so often when their task is finished and they'll move to another one and so on and so forth. And so life will be, well much more like an actor's career in some ways, you know, more on than off one hopes but large periods of off either for groups or for individuals. Women seem to be able to adapt to that much more and they're much better at multi-tasking and actually relationship management. So are men provided they have those sort of skills and increasingly men do, but I'm dead worried about the sort of lump of relatively uneducated males that are coming out of our schools system who are not interested in any kind of learning that takes place in classrooms or indeed in much of life and really think that in some strange way they will walk into jobs, that there are little white vans enough to be driven all round the country. But even little white vans are going to have quite sophisticated computers built into them and they're going to have to start well like a Fedex person billing the customer on arrival and collecting the things, and all that's going to happen. We're going to have to give an awful lot of responsibility now to people at the front end of organisations who have been in the past the dregs of the organisation. Some of those dregs are going to be uneducated males. I don't know what we're going to do about it. That's my worry.

LAMB: It's an education problem.

HANDY: Yes, but it's going to have to take place post school.

LAMB: Have organisations grasped the fact that they're going to have this training burden placed upon them?

HANDY: No, no they think the government's going to do it in some mysterious way. But the kind of training that's needed can only be done at work. It's got to be an enlightened apprenticeship in some sense really.

LAMB: Like Charles Handy, Professor Gary Hamel argues that employers need to spend more time on getting the best out of all their staff, not just their executives. He's a business strategy guru with an international reputation. A prolific writer, he takes the view that the next 25 years are a time for employers to completely reinvent the way they manage their people and he's recently launched a management innovation lab at the London Business School to look into ways of doing that.

HAMEL: I think the first challenge is to develop a capacity to imagine work happening and management happening in a very very different way. I mean it's very interesting.....if you ask most people can you imagine a company put together in a very different way, organised in a very different way, managed in a very different way, the answer is no. Let me give you a current example. Obviously Google's been very much in the news recently, a very new business model providing this array of wonderful new web services. But what's as interesting about Google as their business model is a very different management model. Just about every employee in Google has 20% of their time to work on anything that interests them. Now that's an amazing kind of freedom. If you have an idea at Google, the way that thing moves forward is you don't have to go up some formal approval process and get your boss's permission. What you have to do is get your peers to give you some of their 20% discretionary time to help you move your idea forward. And if an idea attracts enough support inside Google it

becomes a sanctioned project. Now that's just about the antithesis of a traditional organisation where the assumption was change starts at the top, strategy starts at the top, you need somebody senior to give you approval to try something new and of course in a world of relentless and continuous change, that kind of top-down hierarchical view is the kiss of death.

LAMB: I can see how that sort of exciting way of working can operate within high tech companies within organisations like Google. Can you see it realistically trickling down into the small ordinary companies that most people work for?

HAMEL: Sure. Let me give you an example. There's quite an ordinary company on one level called Whirlpool. They're the world's largest makers of home appliances, dishwashers and so on, not particularly exciting things, and yet I think they've understood that really the challenge over the next few years is going to be unleashing the imagination of every single employee. They have trained 30,000 employees to be business innovators. I don't know of any other company in the world that's done that so seriously. Out of those 30,000 employees have come 7,500 ideas. They've turned into 315 new experiments and 50 or 60 of those experiments are now in the market place in terms of new products and services and so on. Whatever organisation you work in we live in a world where you cannot waste a single scrap of human imagination. That's the fundamental competitive advantage in a world where change is shaken rather than stirred and there are a few companies that are beginning to figure this thing out. But it's very intimidating to, I'd say, a lot of middle management and upper management who think they have a monopoly on creating strategy and direction and innovation, and it's very disconcerting often when you give that kind of freedom to ordinary employees.

LAMB: So is that the big change you see over the next 25 years, that managers will begin to trust their staff more and staff will learn to be more adventurous because they'll be given the freedom to do that?

HAMEL: I think that's probably the single biggest change that I see coming. I mean if you look at what happened, as I said over the last 30 or 40 years, where essentially we said all right, we recognise these individuals have intellects and they can solve problems. I think the next stage is to say we recognise they have imagination and creativity and passion and how do we get that unleashed and focused at work. And I think one of the things that's going to require is building companies that progressively feel much more like communities and much less like bureaucracies and hierarchies.

LAMB: Now, I can see how this is a very exciting vision for educated workers. What about the under-educated and ever growing under-class of people who serve those other more privileged workers, the people who are doing the low grade unexciting, uninspiring jobs with very low degrees of autonomy? What about them?

HAMEL: Well you know I think part of that is management and leadership's job to train those people to give them the skills, and I don't mean narrow technical skills, but I mean the skills they need to solve problems to imagine and to create.

LAMB: But not all jobs offer those opportunities do they, not in reality?

HAMEL: Well, I'm not so sure. Work is work. There's a certain amount of it that's just getting on with things. But I think there's a component in any job that has to be inspiring and fun and challenging. I talked about Whirlpool training all of these people, 30,000 people, including hourly employees. They took over the interior spaces of a suburban shopping mall one weekend and they filled it with prototypes of innovations, many of which had come off the shop floor. People who have been working there for 30 years putting machines into crates, whatever, who'd never been asked to think creatively. At home they have hobbies, they go

to new movies, they maybe write poetry, I don't know. But they've never been asked to do any of that in a work setting. I think it is a mistake to believe that any job is all drudgery. I think that's a convenient way of not having to go to the trouble of recognising those people are human beings and giving them the opportunity to contribute in new ways. I've worked now for over two decades at helping companies make innovation a deep deep capability and the thing that has surprised me again and again is that the ideas that can change the fortune of a company never come from where you might expect it.

LAMB: Some of this chimes with Charles Handy's vision of the future. He wants to see working people valued as individuals rather than just replaceable units of production and he's found a rather unusual word to sum up his approach.

HANDY: I go right back to Aristotle who also said, "the point of life is eudemonia." It's a Greek word which most people call happiness. But actually it means more than that, it means flourishing, and I say that means doing your best with what you're best at or in managerial jargon, maximising your core competence. Eudemonia sounds a nicer word of putting it. Now I think that everybody can be successful in the sense of doing their best with what they're best at in some environment, if people create that kind of culture where you're allowed to do it. But of course you have to find out what you're best at and you don't always know until quite late in life.

LAMB: So it really isn't ever too late. That was Charles Handy. Next week on Nice Work we'll be hearing how that spirit of creativity and daring is being encouraged in younger people as they take their first steps as entrepreneurs. Join me then.