The re-humanisation of work, business and organisation.

Dr. Robin Hill
Dept of Business Studies & Office Technology
Waikato Institute of Technology
Hamilton, New Zealand

A paper presented to the inaugural meeting of the "Workplace Wellbeing Network and Seminar Series,"

Waikato Institute of Technology, Hamilton, New Zealand

29 March 2004

The re-humanisation of work, business and organisation

Dr. Robin Hill

Introduction

At the end of the year 2000 I declared the above title as my "area of research interest." It served as a research interest in that I wanted to read more, write more and find out more about the topic and any subsidiary topics associated with it.

The topic has something to do with the dehumanising effects of bureaucratic, mechanistic command and control organisations. Especially those hell bent on applying a singular cost-cutting mentality to performance on the financial bottom line. The topic has something to do with the occupational wellbeing, stress, health and safety of those working in business and other organisations. The topic has something to do with the exercise of power and the social forces underlying that exercise of power and control. The topic has something to do with democracy, and the apparent lack of it for many people during their hours of work. The topic has something to do with quality of work-life, work-life balance and quality of life. It has something to do with organisational social responsibility and ethics. It has something to do with the way organisation and business is driving its members to early graves (see for example Morgan, 1997, chapter 9). It has to do with the meaning people get from their work and the meaningfulness of their work.

My own research and everything I have read in recent years seemed to be saying the same thing. There was an urgent need to address the plight of the human factor in work, business and organisation. Many, many people were writing about and publishing this message, yet that message seemed not to be reaching the ears of management. If it was reaching their ears, it seemed to be having little influence on the gap between their ears.

In the mid to late 1990's I was involved in a project sponsored by an Australian university to study organisational change from the perspectives of noteworthy organisational change consultants. Eighty consultants were interviewed: 16 in New Zealand and 64 in Australia. I was asked to "analyse" one small part of the interviews: the recent and future contexts for organisational change in Australasia. While the interview data included references to globalisation, technology, the political environments, the economic environment, increased competitiveness, and labour reform, it was the following that had most impact upon my thinking.

One Australian consultant set the scene by commenting that the single greatest force for change is how the people in the organisation **think**, particularly management, since those people in turn, deal with all the other forces for change, listed above. A number of respondents alluded to a mind-shift requirement. Australasian managers were seen as insistent upon seeking short-term results, being reactively problem centred rather than mission centred, and cost rather than revenue driven. They were described as quite capable of managing the present in terms of current performance, but the consultants were less confident that managers had the ability to manage the future in terms of production, evolution and rejuvenation.

In essence therefore, there was a call from the consultants for Australasian managers to become more proactively future oriented, mission centred and revenue inclined than they had been in recent years. One consultant claimed to have sighted a survey showing that, as a norm, as little as eighteen percent of senior executives' time in Australia was actually spent on considering the generation of revenue. Most of their time was spent in meetings and engaged in related activities all concerned with cost cutting.

Managers at the top of many organisations were reported to have an abysmal understanding of their people and of the human resource dynamics. One consultant stated that it would take top management four minutes to make a decision about $60 million equipment and four hours of meetings to decide on the design of a new belt buckle for the corporate uniform. Another mentioned senior management structures that would make decisions to spend $62 million on new plant, but who would balk at a suggestion to spend $500 per person of payroll in training. Those who have reached the top were cited as often being from science, engineering or law backgrounds, who could usually cope technically, but who found it difficult to cope with the demands of their people. Coupled with this, managers' leadership skills came under scrutiny. Senior managers could listen to their people and enable feedback upwards in the organisation, but without a whole range of leadership abilities, the attempt was futile. Enhancement of leadership abilities was called for the future.

A similar sentiment is portrayed by the Academy of Management's year 2000 Executive of the Year, Hatim Tyabji CEO of Saraide. Despite founding Saraide to drive the high-technology convergence between the Internet and wireless communications, Tyabji states:

> "…I've always maintained that what made us different, what inculcated values in the organization, was not the technology employed, and that's, I think, a mistake many of my colleagues, many of my fellow CEO's, and even perhaps some in academia make. There is far too much focus on technology. I would submit to you that in the context of leadership that is value-based, a leader has to be 95 percent psychologist and perhaps 5 percent technologist. If you don't understand what it is that makes people tick, and you try to force decisions on colleagues, they're not going to follow, and they're not going to internalise values." (Whetton, 2000, p. 32).

Baird & Cross (2000) indicate that having good technology is not enough. They state that management frequently assumes that by having the latest technology within an organisation means employees would have all the necessary answers at their fingertips. On the contrary, Baird and Cross found that rather than try to retrieve information from a database, employees were more likely to ask a colleague first. Personal networks and individual memories were more relevant to how information was accessed and problems solved.

According to Baird and Cross (2000) global companies have learned that people carry memories, and when people leave a company their memories leave with them. These companies have learned in turn, to provide work processes and support systems to ensure those memories are not lost. It was noted that where people do not share knowledge it is frequently because of lack of trust and/or lack of time. This highlighted the need to invest in both (trust and time) and also to invest in time for employee social bonding.

Bennis & O'Toole (2000) describe the inadequacies of Boards to select "real leaders" as their CEO's, largely because they dwell on past experience, technical competence and track record as the main selection criteria rather than leadership and potential. They state that real leaders are those who energize their followers, humanely push people to meet challenging goals while simultaneously developing leadership skills in others. Bennis and O'Toole contend that while a CEO might have the "hard skills" if they do not possess the "human touch" then they will never be a leader.

In summary, the literature reviewed highlights the need for movement towards a more humanistic approach to management, and also how those managers competent with and seduced by technologically are missing out on the value of their most useful resource. There is a "cutting off your nose to spite your face" syndrome in much management practice.

Getting back to the Change Consultants comments about management ability, Australasian senior managers were described as timid and inclined to settle for modest goals. They often lacked commitment to stick with their own carefully analysed and planned courses of action. When the heat went on, they were inclined towards snap decisions and to throw the planned action away.

In a related sense a number of consultants mentioned the difficulty of putting thoughts into action. One consultant reported that the thoughts and espoused theory of people in business was at least a decade ahead of practice. Australasian managers could get their minds ahead, but had difficulty "transferring that into their muscles." There was an inertia, where thoughts crossed the water shed, but actions did not. Others commented that strategic planning based on logistics, business information, figures and formulae was relatively easy. What was difficult was human ability to implement the plan and see it through. Change itself was a challenge in this regard. Management talked about change, said they would change, but in practice found it very difficult to do so.

Management thinking and apparent ability may well be a function of the increased complexity of their task. A trend was described whereby Australasian managers appeared less confident in themselves and relied more heavily upon outside advice. In retrospect it often became apparent that they had more in-house expertise than those they called in. However, business itself was forcing the pace of learning, and questioning some of the sacred cows of organisation. In the 1990's we saw the emergence, in practice, of non-linear, dynamic systems thinking. It had been emerging for over thirty years but has taken time to come into action, since systems are complex to understand and often messy. Until recently linear thinking has been useful in stable industries. However, more industries are experiencing instability, change and uncertainty. The traditional plan, organise, lead and control model of management is showing signs of decay.

What of the future regarding Australasian management thinking and ability? Rather than a prediction, most of the consultants appeared to be calling for a change, and in essence, a change of mindset. Changes in management style were forecast, in many respects related to quality of work-life issues - mentioned below. A second Australian consultant also set the scene by stating that throughout Australasia we have “organisations full of angry and frustrated people” and yet we allow their management to get away with it. The call seemed to be a shift from simplistic (short term, reactive, cost driven, formularised, linear) thinking to more complex (future oriented, proactive, revenue generating, multi-cycle, systems) and human oriented thinking.

A number of the New Zealand consultants mentioned that there were too many under-performing CEO’s. Some felt this was associated with the abysmal salaries they were paid in New Zealand for the extremely significant and stressful work they performed. One respondent summarised the thinking by saying that New Zealand had a tendency to pay CEO’s $160,000 per year to do a $500,000 per year job - with the result that the organisation only got a $160,000 per year performance from a person of $160,000 capability. A number of the consultants mentioned that their approach was influenced by the work of C.K. Prahalad and Gary Hamel (see Hamel & Prahalad 1994). Hamel (1996) in particular, is critical of top management’s propensity to preserve orthodoxy and to neglect the forward thinking ideas of their lower management and technical people. This preoccupation with Hamel’s ideas, might be seen as reinforcing the view that these consultants had concerns about top management and CEO abilities and practices. Some consultants made particular reference to this being a problem in law, accounting and engineering firms, stating that these “dinosaurs” will die if they don’t change their thinking, and adding that the reluctance of "the partners" to give up some of their power and control has led to some lack of success of consulting interventions in those sorts of firms.

Summary of the consultant's perspective.

The people in an organisation, especially management, must deal with all the other forces for change. For this reason, the way management thought and acted was seen as particularly significant in the context for change. On both sides of the Tasman Sea the consultants appeared to advocate shifts in management mindset. In this manner, with their advocacy and keen desire to send a message to management, the consultants themselves could be viewed among the drivers for change. Australian consultants seemed to be championing quality of work-life issues. They mentioned the inertia created by simplistic, reactive, linear, short term management thinking and called for a shift to more complex, future oriented, proactive, revenue generating, multi-cycle systems thinking. The message was much the same in New Zealand. There was mention of the reluctance of New Zealand managers to relinquish power and control, and the preservation of orthodoxy as stagnating forward thinking.

[Story box 1]

False Economies of a Short Term Focus and a Cost Mentality

According to some consultants Australia had gone crazy on a short-term focus related to a cost mentality and quick return on investment. One consultant stated that Australian organisational leaders appeared not to be behaving in ways aimed at preserving their organisations into the long term. "The vision is about a three month vision. Is the share price going to be right in the next three months? What are the revenues like today? Stupid things like that." "Because the view is so short term, organisational development, I think, is falling apart." According to this consultant "what tends to happen in Australia is that we play the fad game. Management jumps onto the latest bloody thing that is flying around the ridges. While some of those things are good up to a point, they are only good if you pursue them long term."

The cost cutting mentality appeared to be one of those fads which, according to another consultant, was "a matter of some shame to us" or at least some consultants. "I suppose that we've aided and abetted in that for a while until we came to understand that arbitrary cost cutting by shedding labour is a short term knee jerk reaction to a crisis, that often compounds the crises." "Simply reducing numbers for the sake of taking cost out of the business, actually doesn't take cost out of the business. The evidence is mounting that all that happens is that you simply substitute that cost with another cost." He continued that "You buy external resources in, because people haven't actually learned to do things differently."

The cost cutting process, according to this consultant doesn't work unless you have also redesigned processes, made people willing to accept changed roles and satisfied yourself that the tasks you're going to dispense with are truly no longer necessary or can be covered in another way. If you have not been through that process "then you're either simply going to cease some activities that were actually value adding, you just didn't realise it, and therefore the organisation will be impoverished." The cost motive leads you to "stop researching your products," "stop putting so much effort into service quality, you won't keep up your technologies" all of which, according to the consultant, represent longer-term focus.

He continued, "We're so insistent on short term results. I mean you look at the capital markets responding in a sort of sense of panic to BHP's half yearly performance." "You ask yourself, well, why on earth would they be bothered about BHP's six monthly performance?" The corporation has been investing billions of dollars in a ten-year strategy. "How can you assess that in six months?" According to the consultant "our capital markets are so short term focussed." "We just don't take a long term position to some things and that drives a whole bunch of behaviours. Pretty sad. And you get the knee jerk reaction to short term reactions. Cost production focus, very short term."

A third consultant stated that as significant forces for change "cost pressures are still major, there is no question about that. Organisations have been reducing costs in this country now for a long time, but it still really hasn't worked in terms of delivering the real results that we are looking for. So cost pressures are one factor." As a mind-shift trend that is emerging and needed, he spoke of "re-engineering for revenue," or "building the top line for growth rather than re-engineering the cost centre." When looking to the future, he added "I suspect that the cost pressures will continue to be with us for along time."

A fourth consultant supported this view by saying "there's been too much emphasis on cost. I think what organisations are looking for now, is a sort of competitive strategy." By that we mean "a way to be fastest to market or the most innovative in your field or the best alliance partner to work with in the channel. These are the less obvious, more intangible, but if you can get them right, they become more sustainable because people, competitors, can't emulate you so well."

The message? The cost cutting mentality and other fads aimed at a short-term return or quick fix, according to these consultants, are false economies. You don't actually cut costs - you relocate them.

[End of Story box]

Meredith (2000, p. 75) New Zealand CEO of the Marketing Bureau stated, "Over the past decade or so, business has been almost completely overrun by 'beanies' ". The term "beanies" is applied endearingly to accountants - "bean counters". Meredith continued that he used the term colloquially rather than aggressively. On the advice of some of my Accounting colleagues, I think it appropriate to think of "beanie" not as "accountant" but as a management mentality based on cost driven accounting.

Meredith states that one of the outcomes of this mentality has been "the most extraordinary era of downsizing, restructuring, rightsizing, re-engineering and a whole other bunch of other 'ings' ". According to Meredith the result has been chaos. This was reiterated by many of the organisational change consultants we interviewed, who told us that much of their current work was coming from mopping up after disastrous interventions by earlier consultants who had re-structured, re-engineered, and downsized the organisations that had now become their own clients.

But Meredith continues that employees suffered in the meantime. In too many organisations they felt marginalised, disenfranchised and demotivated. They lacked purpose, they lacked direction, they lacked leadership and they worked longer, harder and for less (in real terms). "And for two pins, many of them would stick it up the firm if only they had the financial wherewithal to pay the mortgage if they did." Meredith acknowledged his lack of *research base* for this claim, except for his own experience of working with and talking to people.

However, in support of this claim, in the past few years I have read numerous writers (for example Morgan 1997, Handy 1994) stating precisely the same thing. Again the claim is supported by our own research with organisational change consultants. A number of them referred to the increased levels of education in the workforce, and how that gave members of the workforce greater opportunities for independence, and confidence that they could earn a living outside of corporate business. The consultants predicted that increasingly, employee members of organisations would become intolerant of being bossed around for no good reason, and treated as third class citizens. They only lamented however, that the first to leave corporate organisations will be the senior managers - many of whom may engage in what Handy (1994, p.71) refers to as "portfolio work" - while those at the bottom of the heap will continue to wallow in frustration and anger.

Meredith is a marketer writing from a marketer's perspective. But he acknowledges that an organisation's employees, its internal customers are the key ingredient in successful marketing. Implicitly then, those businesses that treat their employees in a shoddy manner engage in *cut off your nose to spite your face behaviour* since they lose that key marketing ingredient. Meredith places concern for staff ahead of concern for customers - and why? He cites the president of Southwest Airlines as fond of saying "Customers come second." He continues that this is because customer satisfaction is inextricably linked to employee satisfaction, and that to get the full force of any marketing advantage, organisations must firstly get their "staff right first."

Ansley (2000) wrote an article about Martin Rutte, author of “Chicken Soup for the Soul at Work.” Ansley states Rutte’s argument for a chirpier workplace and his aim to be the vanguard of a workplace revolution which in November 2000 was embryonic. According to Rutte a rehumanised workplace would actually improve the bottom line. In recent years companies saw cost cutting as the only way to make money. But eventually when you have cut back everything and have staff at a minimum, according to Rutte you need to return to the profit side and generate revenue. Management return to their staff to tell them they are no longer going to play the cutback game and are going for productivity, creativity and innovation.

The problem according to Rutte is that the workforce is stressed and resentful. They say, no, get stuffed. The basic premise of hard work, loyalty, profitability and jobs has been broken down. According to Rutte, we have an explosion of people, as predicted by the consultants above, who left the corporate world and started home-based businesses.

According to Ansley (2000), Rutte's ideas were a hit at New Zealand's first "Spirit at work" conference where delegates heard talks on transforming the soul of business, building workplaces that capture the hearts of workers. And why should management take notice of these notions. Because Rutte states that they receive two benefits: They get more productivity, innovation, loyalty, commitment and desire to work. People are happier, and happier people are better for business. "Work for most people has to do with earning a living, survival," says Rutte. "This evolutionary phase is to shift work from survival to livelihood, a sense of aliveness."

The main point in reviewing Ansley (2000) here, is to reiterate the extent to which this type of thinking is embryonic in New Zealand management. To work and study in this area is to work at a leading edge of a revolution.

Elkin & Inkson (2000, pages 301ff.) highlight the problem for New Zealand. New Zealand was known as the role model of the "welfare state." It was a nation with most of its infrastructure owned and run by the government – an infrastructure fairly freely available to all. New Zealand had free tertiary education, a free health system, government operated transport systems, and government owned and operated post-office, telephone and television (paid for through taxes). The nation had a readily available superannuation and pension scheme for those retired. Agriculture was protected by government subsidies. Industry was protected by import barriers and tariffs.

Handy (1994, p. 224ff.) states that in the late 1980's and early 1990's New Zealand did a bold thing. New Zealand was the first country in the world to account for its finances as if it were a business, rather than a nation and to present a proper balance sheet. "It revealed that its assets, state companies, roads, lands and buildings, financial reserves and investments totalled NZ$14.4 billion less than its liabilities, by which it meant its borrowing at home and abroad and its pension scheme." Under this model, New Zealand found itself to be "broke" and economically unsustainable. For example, the nation had an aging population, and it did not know where the money would come from to pay pensions and superannuation. It had unprecedented numbers of students at tertiary institutions and didn't know how to afford that.

In the late 1980's the Labour government, under their minister of finance, Roger Douglas introduced a new economic regime – which became known as

"Rogernomics." Government departments and State Owned Enterprises were sold off and privatised. Superannuation was radically changed. Firms cancelled their staff superannuation schemes and those retiring found they did not receive the pensions they expected. Hospitals and education institutions ceased to be public services – instead expected to be run like businesses and return profits just like businesses. Tariffs and trade protection were reduced and all but eliminated.

And all of this swept through the country in one short turbulent decade. It was a decade of downsizing, delayering, privatising, redundancies, and much more. Elkin and Inkson (2000, p. 304) state:

> "to reduce ongoing overheads for competitive purposes, many companies now outsource work that was once done by salaried employees to contractors or smaller companies. Many people who once had permanent jobs now have short term contracts and can be laid off easily if their services become surplus to requirements. The Employment Contracts Act of 1991 transformed the employment relations scene, removing the protection that many workers enjoyed through the old system of national-level wage awards and compulsory unionism. Now employees are encouraged to negotiate their own individual or site agreements. The trade union movement, which until the 1990's, was a powerful player in the national industrial scene, has lost over half its membership and most of its vitality." (pg. 304).

> "For many New Zealand organisations, competition arrived as a staggering blow leading to a new culture that denied the old New Zealand expression 'she'll be right.' Instead the term 'lean and mean' entered the language of business as companies struggled to down size and flatten their structures in order to adapt to the new environment. A stream of bankruptcies and closures underlined the new message. The role of middle managers as the collators, sanitisers and passers-on of information has disappeared – along with their jobs. The public service (perhaps the ultimate 'middleman' organisation) was decimated. In one year in the early 1990's 47,000 public servants lost their jobs. The whole geography of established New Zealand organisations – both in the private and in the public sector – was destabilised." (pg. 304).

Unfortunately the management of many firms seem to misinterpret the term "lean and mean." They didn't quite get this right, and many became anorexic, with consequences similar to that for anorexic people. They cut away more and more fat from the system, running round with an entirely cost cutting driven mentality, pushing themselves downward into ever more anorexia.

Lean and mean is not anorexic – since anorexic is thin to the point of disability. It is an illness. The image of "lean and mean" should be the athlete, not the incapacitated anorexic, or wafer thin terminally ill patient.

Athletes are people who train hard, who develop themselves; work out at the gym specifically so that they have **excess capacity** in strength, stamina and ability available when they most need it. An athlete does not need that excess capacity in the normal event of going about their daily business. They do not need excess capacity of strength to walk about town, sit in their offices and carry out their business. Nor do they need excess capacity in stamina. But they do need to be able to call on those reserves of strength, skill and stamina when they most need it to survive in sporting combat.

One of the major changes and drivers of change for management is increased global competition. But unlike athletes who train hard to develop excess capacity in order to be capable of competing, many organisations cut off the fat, but forgot about the muscles and the lungs and the heart. Many of them continue on this corporate anorexia and continue to have insufficient excess capacity to deal with peak work-out.

Elkin and Inkson (2000) continue that for many working New Zealanders, the effect of the 'Rogernomic' revolution was to suddenly sever the relational, psychological contracts that they had built up with their employing companies, and replace them with transactional contracts. In effect a contract that the employee will do x amount of work to y quality in return for $z from the employer. In a transactional contract "there is no assumption of mutual respect, or security, or an ongoing relationship. It is a simple exchange of benefits." (Elkin, Jackson & Inkson, 2004, pg. 333). Although New Zealand has been a country of high labour turnover and mobility from employer to employer, New Zealanders had come to anticipate that if they showed loyalty to their employers, it would be reciprocated. Employees experienced a breaking of faith that was in breach of the psychological contracts they had with their employers, and also a breach of the contract they felt they had with the nation as a whole.

The organisational changes following 'Rogernomics,' the disaggregation of vertically and horizontally integrated corporations, the breach of psychological contracts, the loss of power and social fulfilment for those who have become isolated by redundancy and contractor relationships has led to what Elkin, Jackson and Inkson (2004) describe as "the cult of the individual." They state that both those who lost their jobs through restructuring and those who survived but saw their colleagues disappear have come to understand that there is little point in trusting organisations with their personal future. There has become "an increasing emphasis on the *individual* rather than the organisation as the key unit of economic life and on the market rather than the organisation as being the venue in which behaviour takes place." (Elkin, Jackson and Inkson, 2004, pg. 337). The individual has become disenfranchised, and de-humanised from employment and organisational life. Individuals seek not to be considered as inanimate cogs in an organisational machine, but as self-directed, human entities.

In summary, the above tells the story of turbulent years that have led to the dehumanisation of work, business and organisation. A wealth of evidence from social psychology tells us that dehumanisation has profound and detrimental effects on individual psychological well-being and manifests in stress responses and pathological behaviours. Dehumanised work, business and organisation does harm to people and is sending them towards early graves. The first rule of ethical conduct is *thou shall not knowingly do harm to another*. We know that a totally cost-cutting managerialist mindset dehumanises and harms people. Like the organisational change consultants reported above, this paper represents a call for that change of mindset that will facilitate the rehumanisation of work, business and organisation, and once again provide an enhanced meaning and meaningfulness of work.

The de-humanisation of work, business and organisation.

Morgan (1997) devotes an entire chapter to the metaphor of organisations as machines. Such mechanistic organisations are characterised as hierarchical, bureaucratic and "command and control." These organisations are orderly, and the people and processes "fit together" in much the same way as cogs mesh in a machine. Morgan discusses the emergence of the mechanistic organisation from the time of Frederick the Great of Prussia (1740-1786) and the industrial revolution. Among the major limitations of the mechanistic organisational mindset, Morgan refers to the way mechanistic organisations lead to "human alienation" and "dehumanisation."

According to Morgan (1997, p. 15ff) the armies of Frederick the Great emerged as the prototype of mechanistic organisation. Frederick had inherited an army that was an unruly rabble, which he was determined to reform. He reformed his armies by borrowing practices of the Roman legion and by ***converging*** these with innovations of his own inspired by the mechanical inventions of his time. The working of automated toys, such as clockwork men, music boxes and the like, fascinated Frederick.

In his quest to reform his army Frederick reduced his soldiers to automatons and introduced ranks, uniforms, regulations, specialisation of tasks, standardised equipment, a "command language," and drill training. His aim was to shape his army into an efficient machine of standardised parts, which could be forged from any raw material and easily replaced (an essential characteristic for wartime operation, where soldiers were "dispensable" items). Frederick fostered the principle that the soldiers should fear their commanders more than the enemy.

Many of these ideas were relevant to solving problems created by the development of mechanised factory systems in the 19th Century, and as they were adopted they were also accompanied by, and reinforced, a mechanistic mode of human thought and action. Organisations that used machines became run like machines. During the 19th Century and early 20th Century scholars and writers tried to make sense of these new organisations. The most notable of these included Adam Smith, Eli Whitney, Charles Babbage, Max Weber and Frederick Taylor. There is not time nor space, nor is it appropriate, to review the early history of organisation and management here. It can be found in virtually any introductory management textbook. Morgan (1997, pp. 15 - 26) provides one of the better accounts that I have read.

The strength of mechanistic form of organisation and management, is that it works well under those conditions where machines work well (and indeed, often in those industries where a machine is [or machines are] a dominating feature of the environment). Hence not only machine based factory systems but also machine based transport systems. There are a number of limitations of the mechanistic organisation, especially in contemporary times. They are unresponsive to change, they result in mindless bureaucracy, they can have unanticipated and undesirable consequences as the human element establishes goals that take precedence over organisational goals, and work well when the human element has been dehumanised to a robotic state.

Morgan (pp. 28 -31) reports the problems faced by the mechanistic organisation. These problems are often compounded by the way that mechanistic job descriptions encourage many organisational members to adopt mindless, unquestioning (robotic?) attitudes such as "that's not my responsibility," or "that's not part of my job description." Management often think of these attitudes as something workers bring with them from home, but Morgan points out that they are inherent in mechanistic organisation. Detailed job descriptions carry a two-edged sword: they clarify both what is expected of a worker **and** what is ***not*** expected of them, creating problems in times when the organisation faces change and requires initiative and flexibility. Often the employees are blamed for their "attitude" but Morgan is pointing out to us here, that these attitudes are a normal (and to be expected) human response to mechanistic organisation and management practice.

Mechanistic practices can even lead people to make and justify deliberate mistakes on the premise that they're obeying orders. The unsettling experiments of Stanley Milgram (1963, 1974) indicate just how far people will go, and the potentially disastrous consequences of blind obedience. Mechanistic command and control organisations actually create many of the conditions that Milgram found fostered disastrous obedience. One of those is the extent to which control is exercised ***over*** individuals, such that supervisors and other forms of hierarchical control not only monitor the performance of workers but also remove responsibility for their actions from the workers, since their function is operational only. Removal of responsibility for one's actions to a higher authority was found by Milgram to be one of the conditions that heightened the likelihood of blind obedience (see the box below, for an account of Milgram's study).

Morgan continues, therefore, that "much of the apathy, carelessness and lack of pride so often encountered in the modern workplace is thus not coincidental: It is fostered by the mechanistic approach." (p. 30). Mechanistic organisation discourages initiative, encourages obedience, and often views as "troublemakers" those who question the wisdom of conventional practice. Apathy abounds "as people learn to feel powerless about problems that collectively they understand and ultimately have the power to solve." (p. 30). The mechanistic approach to organisation tends to limit the development of human capacities, moulding humans to fit the requirements of the mechanical organisation rather than build the organisation around their strengths and potential. Morgan (1997. pg. 312) cites a British study that showed that in some organisations 80 percent of the manual workforce exercised fewer skills in their jobs than driving to and from work.

Morgan (1997 pg 36) refers to the "excessively narrow, authoritarian and dehumanising work orientation generated by scientific management and classical management theory." We can conclude from this that one source of de-humanisation and alienation stems from, and remains a legacy from, mechanistic organisation bounded in classical management theory. It is a point of intrigue to me, that this was recognised decades ago. The rise of the human relations and later, the behaviourist movements in management thought and practice occurred in response to that.

[Story box 2]

Obedience

The most direct technique of social influence, is to **order** the target person to do something. Although less common than other forms of social influence, it is far from rare. In business organisations, managers and supervisors issue many orders to subordinates. In military organisations and frequently in sports teams, the commands are shouted at the targets. In employment law there is the concept of the "lawful order."

Obedience to these commands is not surprising since most people who issue orders from positions of authority have some means of enforcing and sanctioning obedience (they can reward it, or punish resistance). More surprising however, people lacking such power can sometimes induce people to engage in actions they would refuse to do if left in isolation.

Obedience refers to behaviour that corresponds to that ordered by an authority figure. Of special interest, authority figures tend to be obeyed, even if they do not control sanctions that compel us to obey. The study of obedience exposes us to one of the most famous, if controversial classic experiments of all time. The work of Stanley Milgram in the 1960's.

Milgram was concerned to find out why, during wartime for instance, seemingly normal people were prepared to carry out orders to commit atrocities. To gain insights, Milgram designed an ingenious, yet unsettling study. Subjects in his research were informed that they were participating in a study of the effects of punishment on learning. When they arrived at Milgram's laboratory they met an elderly gentleman, who was introduced to them as "the learner." The task of the subjects was to put this fellow through a learning exercise and to administer an electric shock to him every time he made an error.

The learner was actually an accomplice of Milgram's. Although the subjects saw the learner wired up with electrodes seemingly attached to a machine, he was seated behind a screen and never actually received any shocks. The shocks were supposedly administered by means of 30 switches on a piece of electronic apparatus. The first switch supposedly delivered 15 volts, and for each successive switch the power increased by 15 volts. Along the console, the switches were labelled with words such as "moderate shock," "strong shock," "intense shock" through to "Danger: Severe shock" and the 30th switch which was simply labelled "XXX." It supposedly delivered 450 volts. There was only one shock actually administered in the entire session - that was a mild shock to the **subject**, delivered from switch number one, to convince the subject that the apparatus was genuine.

Subjects were instructed to move to the next higher switch each time the learner made an error. They were also told that the researcher, and not themselves, was responsible for the victim's welfare. During the session the learner, following prearranged instructions, made many errors. The subjects therefore soon found themselves required to deliver what seemed to be increasingly painful shocks.

As the subjects moved upwards from switch to switch, at a predetermined point the learner began moaning. A few switches further on he complained about his heart condition. At another point he pounded on the wall in protest. A little later he pounded on the wall, and then gave no further answers. Since no answer was considered an error, the subjects were instructed to move up to the next switch.

Milgram was interested to see at which point subjects would refuse to continue with the experiment. When they did hesitate or protest, the experimenter would pressure them to continue by making statements such as "please go on." To Milgram's astonishment a full 65% of all subjects continued to proceed right through the entire series and supposedly delivered the final 450 volt shock. In control conditions, where the experimenter was not present and did not encourage the subjects to continue, most refused to administer shocks beyond the mild level. From this, and a series of further experiments Milgram (and society in general) learned a great deal about the conditions that lead people to blindly obey figures of authority - conditions such as:

Release from responsibility: In many situations the authority figures relieve those who obey from responsibility for their actions. "I was only carrying out orders" is the defence they commonly give. In life situations that release from responsibility may be implicit. In Milgram's experiment it was explicit. Subjects were told the Experimenter would take responsibility for the learners well being. In organisations this release is often formal in terms of accountabilities at different levels, and freedom to act. By virtue of their position senior managers are responsible.

The wearing of uniforms and **Display of insignia and status symbols**: Persons in authority often possess visible signs of their status and power. These consist of uniforms, insignia and titles. Faced with obvious signs of authority, it is hard to resist.

Gradual increases in the magnitude of the orders: In many instances of obedience initial commands are relatively small and innocuous - only later do they increase in scope and require questionable behaviour. For example in cases of military atrocities, the soldiers may, in order, be requested to question, arrest, threaten, then beat, torture and then kill. The Milgram experiment showed this in the gradual increase in shock.

Dehumanisation of the victim: Where the authority figure convinces the obedient person that the victims are in some ways lesser beings. "They are just animals." They deserve what they get. A similar result was found in Zimbardo's prison experiment.

Physical proximity of the victim and/or the authority figure. When the victim is nearby there is less likelihood of obedience, than when at a distance or separated behind a panel or wall. In contrast, obedience is likely to be higher when authority figure is present rather than absent.

In sum, several factors contribute to high levels of obedience, witnessed both in the laboratory and in life. Together they can merge into a powerful force - one that is difficult to resist. Unfortunately the consequences of this form of social influence **CAN BE DISASTROUS** for innocent and defenceless victims

The main point of this is to demonstrate that authority figures tend to be obeyed, even if they do not control any sanctions to make us obey. Milgram's work focussed us on the destructive side of blind obedience. Organisations are structured with prescribed authority figures and authority roles. It has been noted from both Zimbardo's and Milgram's experiments, that role play alone can lead to disturbing behaviours. Obedience can get out of hand.

An acquaintance of mine became the Managing Director of the New Zealand branch of a very large multi-national organisation. I asked him a few months after he had taken up the position: "What has been the hardest thing about the job?" His answer was: "Dealing with my own ego. When you have absolute decision making power and authority over others, your ego can get away from you. You begin to make bad, callous, if not dangerous decisions simply because you're the boss and can tell others what to do, without having your arse kicked for doing so."

Many CEO's, MD's and GM's in organisations do not overcome this problem, nor even recognise that they have fallen into the ego trap. They act like Milgram's experimenter. They use authority codes of dress, display of status symbols and arrangements of office furniture, locate their offices in isolation from the rest of the organisation on the top floor of multi-storied buildings. From there they direct by remote control and dehumanise their employees.

[Story box ends…]

Limerick, Cunnington & Crowther (1998, pg. 31) state that "there have been a number of devastating critiques of classical theory in management literature - see Etzioni (1964), Rose (1975) and Reich (1983) for just a few examples. At the heart of it all is a trenchant attack on the impersonal, dehumanising autocracy of such a system, and on its manipulative assumption of congruence of interest between management and worker. Perhaps one would be forgiven for wondering why it existed at all and why managers gave it a ghost of a chance of success in practice."

Limerick et al. go on to state that the answer to that lies in the conditions of the time – the industrial revolution and the legacy of 19th Century social stratification.

Yet, almost a century later, in recent decades we seem to have experienced a regression back to classical mechanistic practices and dehumanising consequences. Regression back to an earlier age. As happened over five decades ago, it seems we need a resurgence of human relations thinking to drag management out of the dehumanising mechanistic thinking.

Interestingly, **regression**, "retreating to the behavioural patterns of an earlier age" (Davison & Neale, 1978, p 120) was one of several defence mechanisms identified by Freud. These are seen as manoeuvres to rationalise and avoid facing the reality of neurotic anxiety; an unconscious distortion of reality symptomatic of a disordered personality. It might be interesting to speculate, when this apparent regression in management thinking and practice back to an earlier age is identified in an organisation, whether it might be some sort of symptomatic manifestation of an organisation suffering a personality disorder or neurosis….(tongue in cheek…)

In a later chapter, Morgan (1997) discusses cultural differences in goal setting. In particular he emphasises the difference between the western-American approach and the eastern-Japanese approach. The former is based on linear, single-loop thinking and becomes reduced to the notion of SMART goals. SMART is an acronym for a formula whereby goals should be specific, measurable, achievable, realistic and time related. Under this formula goals become end states in themselves, rather than processes for reaching end states. In contrast, the Japanese approach is based less on specific objective setting, but on a more holistic notion that if the organisation's values are well known, then the appropriate goals fall into place.

Morgan (1997, pg 98) states that when we try to achieve goals or targets as end states, the target often dominates attention and obliterates other key aspects of the overall situation. Attention, energy and action tend to be invested in that point in the future when the target must be attained (eg. end of financial or calendar year) and the environment tends to get manipulated in a way that will allow us to achieve the goal! In the process we can anticipate (from history) that all kinds of dysfunctions & unintended consequences occur. For example, an department may be set a target to "achieve 400 customers." It might achieve 400 customers, but in the process do irreversible damage to the "departmental culture," morale, quality of service delivery as attention is diverted to customer production rather than good service or product quality, and so on. The department might achieve target, but in the process alienate its existing customers who received a substandard product and substandard service.

This sort of dysfunction is inevitable when people are encouraged to "edit" their understanding of the situation to suit narrow purposes and targets. A solution here, creates a problem there. Morgan states that corporate life is full of these kinds of horror stories, which in retrospect always seem blatantly stupid and short-sighted.

We can take from this, then, that another source of dehumanisation or alienation stems from formularised, single loop thinking strategies suited for narrow purposes and targets. In the case of both mechanistic organisation and narrow objective setting, a common factor is the extent to which the complexity of organisation is reduced or cognitively simplified to a single formula. Most often, the single formula that is adopted relates to the financial bottom line, since it is numerical, measurable and relatively easy to understand.

Senge, Carsstedt & Porter (2001) reiterate the view that although the machine-age organisation achieved previously unimaginable productivity, it also created a mechanised organisational environment that dehumanised and fragmented how people worked together. Senge et al. recite a story about the team of Xerox "Lakes" engineers who developed the eco-friendly Document Centre 265 copier. When pressed at a public forum to declare what drove her and her colleagues to develop such a copier, one of the lead design engineers stood silent for a long time in front of her peers and superiors, before bursting into tears and saying "I am a mom." To this, another person present remarked "seamlessness," meaning, "When what we do becomes inseparable from who we are."

Senge et al. (2001) go on to say that we have all spent much of our lives in institutions that force us to be someone we are not. We commit ourselves to the company's agenda. We act professionally. After a while we have lived so long in the house of mirrors that we mistake the image we are projecting for who we really are. I read this to mean that when "what we do" is done in the face of corporate demand and is separate from "who we are" then dehumanisation has taken place. Senge et al. imply that one of the reasons for this is management's lack of ability to grasp the fullness of new and innovative concepts. Indeed, I noticed while working in industry that often previously tried and true innovations failed to produce the expected fruits. I noticed that it seemed the highly intelligent but relatively cognitively-simple mindsets of management disabled them from grasping the fullness of a change programme and the conceptual background to it, such that they only "bought it" up to that point where they became cognitively overloaded. The result was that they frequently only "bought" a fragment of the intended package and process, implemented an impoverished programme and remained puzzled as to why it didn't work.

Senge et al. (2001) imply further that this is because management utter words and espouse honourable notions but fail to unleash the employee passion required, fail to establish trust and openness, feel that their established "quick fix" management cultures are under threat, and fail to relinquish the control required for those honourable notions to flourish.

Charles Handy (1994, p. 129 ff.) devotes a brief chapter to the question - "What is the meaning of business?" He states a necessity for us all to have a view on business, who it is for and what it is for. Directly or indirectly each person's economic well-being depends upon it. But, Handy asks, is business solely a wealth generating instrument, best left to its own devices, or does it mean that precisely because of its social impact, business must recognise a wider accountability than just making its owners seriously rich.

Handy points out that the business ethos has invaded our lives. All organisations and work are seen these days as some form of "business." Each organisation is judged as if it were a business - judged on its effectiveness in turning inputs into outputs for its customers and clients compared to the effectiveness of competing organisations.

Schools, Hospitals and many other service delivery parts of government have been restructured into independent business units, required to compete for clients.

Handy asserts that one implication of this is that all these organisations will have to face the same questions - what is the business for, and to whom does it belong? Are those of us who work in these businesses merely their instruments or are we more than that? What are our rights, and what are our responsibilities.

"What is business for?" is a large question, and one that Handy (1994) addresses throughout his book. But in response to the question "to whom does a business belong?" he questions the validity of the whole idea that a company should be thought of as a piece of property that can be owned by anyone with enough money to pay for it, a property which can be bought and sold over the heads of all those who work and live there. He questions the validity of such a concept when it is people, not things, that are the real assets.

Elsewhere Handy (1994) discusses ownership of human assets and their intelligence, and how the concept of a person **owning** another person (slavery) is abhorrent in contemporary society. Yet it is a prevalent notion in business. What is it that a shareholder owns, when they own a business?

Lipsky (1980) addresses a further source of dehumanisation – or perhaps it is the same source with a different expression. Lipsky has written about the dilemmas that face individuals in what he calls “Street-Level Bureaucracies” – namely schools, police, welfare departments and other agencies where workers have wide discretion over the allocation of benefits or sanctions to members of the public. Street-level bureaucrats deal directly with members of the public.

In summary, Lipsky shows that because of ambiguities and conflicting goals within these bureaucracies and the wide levels of discretion granted the employees, these street-level workers create a great deal of actual policy, as practiced. These policies consist of shortcuts, routines, defence mechanisms and simplifications developed to cope with work stresses – role overload (huge caseloads), role ambiguity and even threat of danger. Street-level bureaucrats rationalise their behaviour, believing they’re doing their best under adverse conditions. They construe their work and their clients in ways that narrow the gap between role conflicts associated with personal limitations, work limitations and service quality ideals, but at the same time dehumanize the relationship with their clients.

The problems of street-level bureaucrats lie in the structure of their work more than in the people themselves. According to Lipsky, most people enter public service occupations with a genuine wish to contribute socially useful roles. But the nature of their work (teachers with large classes, social workers with huge caseloads or inadequate resources) prevents them from coming near to their own aspirations. Their tactics to deal with these *role conflicts* become the street level policies. Street-level bureaucrats are trained to respond to individual needs, but find themselves confronted by clients on a mass basis. For example, while a teacher knows they should respond to the needs of individual children, they find themselves confronting and responding to a classroom full. Same for welfare workers who have a need to deal with individual requirements but who find themselves confronted by a waiting room full and an in-tray deep in files.

To deal with the conflicts the street-level bureaucrats automate, systematize and regulate procedures leading to a dehumanization of interaction between agencies and citizens. As the street-level bureaucrats themselves feel more alienated from their own ideals and aspirations they face dilemmas and rationalize their cognitive dissonance. But Lipsky points out that the dilemmas not only affect the service providers. The clients themselves, experiencing increased dehumanization and alienation begin to avoid seeking the services that they have a right to expect, or begin to passively succumb to them.

Hence it might be noted that another source of dehumanization are those factors also related to work stress – role ambiguity, role conflict and fluctuation in role overload/underload. The dehumanization occurs when those whose job it is to process people, engage in **coping** rather in **serving**. It is arguable, however, that the ultimate source of this is the same as above – services that are pared more lean and mean than imaginable, that experience imposed financial and resource constraints, and where once again, more is expected for less, harder and faster.

The literature, above, regarding the sources of dehumanisation is not exhaustive. However there comes a time to stop writing this paper and consider it a draft for something larger and more detailed at a future time. For instance it would be worthwhile including here an account of Semler's (1993) realisation that conventional management practice, the practice within his own firm, was based on mistrust, surveillance, treatment of adult workers as if they were children, and autocracy rather than democracy. Semler then goes on to describe the dismantling of that style of management and implementation of the *Semler way* – management founded in **Democracy based on trust**.

It would also be useful to include here, an account of Braverman's (1974) view that worker dehumanisation is an inevitable consequence of capitalism.

Summary.

The literature reviewed above suggests that one source of workplace de-humanisation and alienation stems from, and remains a legacy from, mechanistic organisation bounded in classical management theory. A second source of dehumanisation or alienation stems from formularised, single loop thinking strategies suited for narrow purposes and targets. A third source dehumanization occurs when those whose job it is to process people, engage in **coping** rather in **serving** when faced with those factors also related to work stress – role ambiguity, role conflict and fluctuation in role overload/underload. It is arguable, that the ultimate source of this is the same as above – services that are pared more lean and mean than imaginable, that experience imposed financial and resource constraints, and where once again, more is expected for less, harder and faster. And this is a source that Braverman (1974) saw as an inevitable consequence of capitalism.

Conclusion

Morgan (1997 pg 320 ff.) raises issues that are very dear to this project and which represent part of my mission as a management educator. Morgan demonstrates how organisations are literally driving their employees to early graves. In many cases senior managers are driving their middle management colleagues to early graves. The senior managers are being driven to early graves by their Boards, or owners. And all of it, as Morgan states, in the interests of *financial bottom line*. While thinkers such as me might be described as naive by colleagues ("that's the way the real world is..get real, Robin") frankly I can not see the point in fellow human beings, colleagues in fact, driving one another to early graves. There is nothing more precious than life. It is far more precious than dollars. The "dehumanised" workplace is making people ill and sending them to premature deaths. One of my aims with this project is to kindle the "rehumanisation of work and organisation."

References

Ansley, B. (2000, November 18 2000). Joy Division: Happy staff are productive staff. *Listener*, pp. 24.

Baird, L. & Cross, R. (2000). Technology is not enough: Improving performance by building organisational memory. *Sloan Management Review*, *41*(3), 69 - 78.

Bennis, W. O. T., J. (2000). Don't hire the wrong CEO. *Harvard Business Review*, *78*(3), 171 - 176.

Braverman, H. (1974). *Labor and Monopoly Capital*. New York: Monthly Review Press.

Davison, G. C., & Neale, J. M. (1978). *Abnormal Psychology: Second Edition. An Experimental Clinical Approach.* New York: John Wiley and Sons.

Elkin, G. & Inkson, K (2000) *Organisational Behaviour in New Zealand: Theory & Practice*. Auckland: Pearson Education.

Elkin, G., Jackson, B. & Inkson, K (2004) *Organisational Behaviour in New Zealand: Theory & Practice. Second Edition*. Auckland: Pearson Education.

Etzioni, A. (1964). *Modern Organisations*. Englewood Cliffs: Prentice Hall.

Hamel, G., & Prahalad, C. K. (1994). *Competing for the Future*. Boston: Harvard Business School Press.

Hamel, G. (1996). Strategy As Revolution. *Harvard Business Review*, *74*(July - August), 69 - 82.

Handy, C. (1994). *The Empty Raincoat*. London: Arrow Books (a division of Random House).

Limerick, D ., Cunnington, B., & Crowther, F. (1998). *Managing the New*

Organisation. Second Edition. Warriewood, Aust.: Business & Professional Publishing.

Lipsky, M. (1980) Street-level bureaucracy: Dilemmas of the individual in Public Services. New York: Russell Sage Foundation.

Meredith, B. H. (2000). No MBA required. *NZ Business*(December 2000), 75.

Milgram, S. (1963). Behavior Study of Obedience. *Journal of Abnormal and Social Psychology*, *67*, 127 - 134.

Milgram, S. (1974). *Obedience to Authority*. New York: Harper.

Morgan, G. (1997). *Images of Organisation*. (New edition ed.). Thousand Oaks: Sage.

Reich, R. B. (1983). *The Next American Frontier*. New York: Times Books.

Rose, M. (1975). *Industrial Behaviour: Theoretical Development since Taylor.* London: Allen Lane.

Semler, R. (1993) *Maverick*. New York: Warner Books

Senge, P., Carstedt, G., & Porter, P. L. (2001). Innovating our way in the next industrial revolution. *Sloan Management Review.*, *42.*(2.), 24-38.

Whetten, D. A. (2000). Saraide's chairman Hatim Tyabji on creating and sustaining a values based organisational culture. *Academy of Management Executive*, *14*(4), 32 - 40.