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Training in the Future Organization

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In this chapter some general developments and more specific trends in organizations are described, including their consequences for management and training. The emphasis in future organizations will be on a clear mission, human resources development, the introduction of ever renewing technology, a client oriented attitude in the whole organization and non bureaucratic systems.

Of course this will have its consequences for the training departments with respect to philosophies, policies, strategies, staff and programs. The facilitator's and internal consultant's role will get more emphasis in the future.

3.1 General Developments

If we listen to mr. Gorbachov and mr. Bush we may expect that in the coming 25 years the superpowers (U.S.A., Russia, Western Europe, Japan and China) will not confront each other directly. Small wars among small nations will regularly occur and might increase. However, it is these wars especially that might endanger the flow of raw materials.

For the next 25 year, the expectations of growth of the gross national product will not be very sensational; attempts will be made to control wages and prices. On the other hand the number of households (not only in the third world) will increase, which means a decrease in purchasing power for individuals.

The European Top Management Round Table Conference of Octo-

ber 1988 forecasted that newly industrialized, cheaply producing countries in East Asia (and in the future also in Central Asia and maybe in Africa) will try to compete on the world market with low prices, and in East Asia we will see an increase in the education level which might become even higher than in Europe. Consumers will be better informed because of the availability of more, and more advanced, communication technology. For marketers it will not be too easy to cluster people into market segments (Philips, 1988).

In Europe people will more frequently come in contact with people from different countries in the continent. For the Europeans this will have important economical, social, political and other consequences. If we concentrate on education systems in different countries we will see that a further standardization will be necessary. Besides standardization, actualization of the European education system is essential. For firms in the U.S.A. and East Asia this enlargement of scale will have important consequences, because they will operate in one big market.

As the growth of the gross national product will not be too high the government budgets for health care e.g. will be frozen or decreased. Some governmental tasks might be privatized.

3.2 Organizations: Challenges, Dangers and Trends

The changing environment, as described above, will naturally have its consequences on societies and firms. For European firms on one hand there will be certain challenges and on the other hand there will be some dangers.

Challenges

1. Managing the business in a quiet world without big super powers threatening each other.
2. Production facilities in cheaply producing regions will be possible in a more internationally orientated business world.
3. Availability of modern information technology which can be used e.g. for the communication system.
4. The availability of modern technology for production, administration, market research, etc.
5. In Europe there will be one big market with more than 200 million people.

Dangers

1. Supply of raw materials sometimes might be blocked by small wars somewhere in the world.
2. Budget restrictions for the consumers might cause a decrease in demand.

3. Low price competition might cause organizations which want to produce high quality to lose their market share.
4. No improvements in the educational systems will result in a less qualified management and workforce.

Trends

At this moment (and we might expect that this trend will continue) managers start to develop effective corporate philosophies and strategies for the whole organization. They analyze their systems, trying to make them more supportive and less bureaucratic. An alert structure will be essential for managing the firm successfully. Within 25 years a few large multinationals (probably less than 20 percent of the main largest companies) will own 80 percent of world trade. The take-over strategy will be an important tool to increase power and results. We can also expect emphasis on information systems for monitoring trends in the markets. New technology will take an important place in this field. Taylor and Lippit (1984) stress that besides marketing, the purchasing and financial function will become more important. The structure of the organization will require much emphasis. Drucker (1980) writes that an organization should be flexible because management has to prepare itself for a continually changing and turbulent environment. Taylor and Lippit (1984) put emphasis on creating and maintaining a management style, that is prepared for action. Effective communication and personal development will get more emphasis. Also Stevens (1980) stresses this point. It is, however, a question whether these trends will turn out to be successful in the coming period. In the next section some conditions for being successful will be analyzed.

3.3. Conditions for Being Successful

For managing the future organizations (including the new mammoth-enterprises) effectively, the following conditions should be fulfilled:

A clear mission

There should be a clear mission, providing a course for the whole organization. According to Leavitt (1987), managers who provide vision, values and determination give inspiration to organizations. For middle-managers, problem solving and implementation of decisions will become easier and less risky. Peters and Waterman (1982) describe their eight characteristics by which excellent corporations distinguish themselves from others. By defining specific characteristics a company provides its employees with guidance and reduces uncertainty for newcomers. This guidance is even more important if we realize that alienation might increase in mammoth corporations.

Human Resources Development

A realistic philosophy on the human factor is essential. Since McGregor (1960) who developed the X and Y-theory, many other authors have stressed the importance of well motivated and committed workers. For example, Blake and Mouton (1976) published the *Managerial Grid* of leadership styles and Blanchard et al. (1986) developed a more flexible theory focused on the level of commitment and capacity of the worker. After Maslow (1954) and Herzberg (1968), it is in these days Peter (1986) who publishes about motivated groups of workers. Human resources development, personal achievement and, being a 'winner' are important motivators for many employees. For the organization qualified and committed people will become more and more important.

Delegation

Delegation is essential for being flexible. Peters (1989) stresses flexibility as an important characteristic for being successful in a changing environment.

Qualified managers

Decentralization is only possible if there are enough qualified managers in the organization. If managers have to operate in a different continent they need insight into specific characteristics of the culture of the specific country. Hofstede (1984) describes the differences per country in terms of the following polarities:

- power distance: large versus small;
- uncertainty avoidance: strong versus weak;
- individualism versus collectivism;
- masculine versus feminine values.

Systems

The manager should prevent sluggish bureaucratic staff departments. Philips topmanager Van de Klugt (1988) said in one of the Dutch newspapers: "Bureaucracy is like cholesterol; you can't cope without it, but too much is not good for your health." Peter ('Peter Principle') shows in his newest book how major organizations are constructed upside down with the point of operations all but invisible beneath the bulk of a top-heavy administration. Buy-out may be one of the strategies not only for decreasing the superfluous bureaucracy, but also for making the system more flexible.

Client oriented attitude

Client orientation is one of the conditions and should be part of the whole organizational culture (Peters & Waterman, 1982). An interesting point for multinationals is whether global marketing is possible or whether a decentralized approach is preferable to keep in touch with the market.

Networks

Naisbitt (1982) stresses that different networks will be very essential for the future organization. Networks with governmental and public institutes, clients, universities, etc, enable managers to be in touch with the environment.

For some organizations, these conditions mean radical changes in their policy, orientation of their mission, thorough analysis of the different systems, and development of 'human capital', so that responsibilities can be delegated to qualified managers. In this century there were many changes in management orientations. A few of these changes are described in the following section.

3.4 Changes in Management Orientation

In this century the emphasis in firms was first on the product. In the fifties there was a change towards marketing (Risley, 1972). There was a change from the product and production function towards sales and marketing. By the way, the very first time the word marketing was used was in 1561 when Norton translated Calvin's *Institutionals*. But it was nothing more than trading and selling until Borden (1950) stressed that the market is the most important factor and not the product.

Besides the change from product orientation towards market orientation, there was also a change in philosophy on the human factor. Taylor in the beginning of the twentieth century called for careful attention to job design. He suggested that employees should be selected and trained very carefully. Standardization was another point that seemed to make sense.

Behaviorism was the underlying (psychological) science in that period (Skinner, 1971). *The Hawthorn Studies* (Roethlisberger & Dickson, 1970) made clear, however, that social variables such as group pressure, relations and supervisory style play a key role in generating results. The lesson of this shift in theoretical approach was that the full understanding of behavior in organizational contexts should require attention to factors which were ignored by scientific management. After Roethlisberger, many other authors, such as McClelland (1961), Herzberg (1968), Vroom (1964), McGregor (1960), Maslow (1954), and others have stressed that more attention should be paid to people's motivation and commitment. Motivation became the castor oil for every management problem.

The Seventies

In the seventies, management put more emphasis on public relations, planning information systems and attitude training. Systems theory (Katz & Kahn, 1978) describes realities (e.g. organizations)

as wholes in interaction with their environment. Growth, steady state, and adaptation are essential characteristics of an organization that wants to survive. As an organization is defined as an open system it is important to keep in touch with the environment and to establish a favorable image. Information systems, improved by computer technology and public relations have become important tools in the seventies. The 'human resources' viewpoint became more and more important. Many training programs on leadership styles and attitude change were organized to influence the organization's style and effectiveness.

The Eighties

In the eighties, the take-over strategy became an important tool for firms. A consequence is the increased attention for the corporate philosophies to give subsidiaries and individuals the feeling of belonging to one big group. In relation to the clients it became important to show one company face or image. Because of fluctuations of the dollar and the risk for investments, financial control has become an important function in the new organization. Operating on a bigger scale in a changing environment means developing qualified managers and employees. Organization development has become an important subject for many top managers (Baron, 1983). The team approach (e.g. Belbin, 1980) is for many organizations a factor of importance in the eighties.

The Future Organizations

The challenges for mankind will be the use of new technology and adaptation to the changing environment. The combination of management interest in technology and in the human factor will make organizations more likely to be successful (Toffler, 1971). Young, secretary of state for Trade and Industry in the UK (1988) stresses the importance of management's attention to human resources development: "Training should result in committed and flexible workforces and investment in people is as important for tackling the challenges of the future as investment in machinery."

Managers in future organizations will have to deal with culture shocks. Learning to learn will become very essential in dealing with intercultural settings, using basic concepts and principles of managing the intercultural interaction (Casse, 1988). A high degree of flexibility is necessary in the future. Decentralization and autonomy will become more and more important in structuring the organizations.

3.5 Training Needs and Programs

Training is one of the most important tools for improving and man-

aging the quality of the human factor. In tackling the opportunities of the future, training will play an important role. If people want to use new technology effectively they need specific skillstraining in this field. Coping with the changing environment needs permanent attitude and skills training. Preparing people to work in a different culture needs much training. Finally, decentralization with the emphasis on delegated responsibilities for achieving results is also impossible without training.

Before describing the future training organization, a brief historical development of the training function is given. In the forties there was a need for leadership and coordination in the training function because of the increasing interest in training. "The training director became a necessity and this was a common title in the management hierarchy" (Steinmetz, 1976). He also adds that in the forties, Job Instruction Training became popular. During the second world war (and also during the first world war) training was a must. Steinmetz (op. cit.): "Training has always grown best where emergency is the dominant thought." Emergency will also become the dominant thought for many organizations in the future. In the forties training was focused on the tasks people had to do at the very moment. In the Dunwood Institute (Steinmetz, op. cit.) the training strategy was printed on cards: "show, tell, do and check."

In contrast with this approach, training was sometimes a reward or an instrument to create a comfortable atmosphere. Many training programs have been conducted to motivate people and to improve their personal development independently of any organization development plan.

The managers in future organizations however will need the training function as an important tool to improve the quality level of the whole organization. Taylor (1980) stresses that "the major challenge for management educators and trainers is to adapt our in-company training programs and our business-school courses to the needs of professional managers in large multinational organizations." In the same article Taylor gives the following suggestions:

1. Make the training programs less parochial and more international (languages, values, methods). Cooperation with institutes or people in the organization abroad is essential: networks.
2. Train managers to cope with political pressure and to give a contribution to community development. "The development of such skills as public speaking, communication with media, negotiation with trade unions and dealing with government departments should be a core element in management training courses, and managers in sensitive areas should receive special briefings on legal matters, social trends and recent developments which are likely to effect their enterprises" (Taylor, 1984). He adds: "Job creation, new enterprise development and community action programs are as yet only in their infancy.

classroom instruction. In the training room there will be a variety of manuals, video tapes, laser discs, etc. Within the learning goals which have to be achieved, the training process will be learner oriented. For many training specialists these developments will mean a change from instructor towards facilitator. As it is put in the Training Industry Report (1987); "53% of all organizations with 50 or more employees use some type of computer in connection with their training efforts, including more than a third overall using their computers as an instructional device." But if application of knowledge is essential in someone's job then group activities, such as discussions and simulations will always be dominant.

The trainer as an internal consultant

If the training managers develop themselves as specialists in human resources development, communication, learning psychology and organizational cultures, they will become important consultants for top management. Such a role requires a certain amount of knowledge and skills to perform in a satisfactory way. The following skills could be essential for such an internal consultant:

- Broad knowledge: this includes besides insight in psychology, sociology and organization development, also knowledge of the markets of the organization, the products and the policy of the organization.
- Communication skills: These skills allow the trainer to influence his superiors, colleagues and professionals outside the organization and to build interpersonal relationships in the organization. The key skill is what we could call "Beyond effective communication".
- Entrepreneurial skills: Creativity in solving the human resources development needs of the corporation in a holistic approach should be developed. Essential are: developing a training policy, risk taking, creative problem solving and a view of the organization as an open marketplace for personal and organizational development.

Conditions for the effective internal consultant function are the following:

1. Top management support for human resources development.
2. Budget and facilities (such as computer-based training) to achieve training results in an effective way and to spare time for the internal consultant role.
3. The manager of the training department should have a chief executive's position in the organization so that he has the power to operate as a consultant.
4. Better administration systems for the training department, which could be partly managed by an experienced secretary within the department.

5. Clear mission and strategies for the whole organization and providing the internal consultant a framework.
6. A practical learning philosophy not only as a tool for the training department itself, but also for the line managers who should be involved in the (maintenance) training programs.
7. Professional training staff: skills and knowledge, but also a good image in the organization. This image could be e.g.; available, effective solutions, empathy, effective and no disproportional time consuming analysis methods.
8. The trainers should have knowledge of the organization's mission, markets, products etc., so that they are able to speak on the same level as the line managers in their consultancy role.
9. The manager of the training department and also some members of his staff should have some experience in key jobs (e.g., for sales organizations: as a salesman and in a marketing or sales management function).
10. The trainers are optimists, have humour, are flexible and are very eager to learn from what they and others do. Interdepartmental evaluation of what has been done is essential to improve their own effectiveness.

Ad 3. Limiting conditions

Some essential conditions which should be fulfilled to make the training function effective are:

- A. Full support, commitment and involvement of top management to demonstrate that training and development is one of the key instruments to improve quality of the human resources and, by that end, the results of the organization.
- B. An agreed training policy, communicated by the managing director to prevent miscommunication.
- C. A strategy for delegating the operational training activities to the line management as far and as frequently as possible, so that their involvement, acceptance and follow-up activities will be assured.
- D. A system for analyzing training needs so that the training department knows which groups or individuals should get priority. A system for analyzing results is important for re-adjusting activities and to communicate the results (P.R.-function).
- E. A formal and informal information circuit, a network to inform the trainers and consultants of the training department.

Ad 4. Department specialities

Among the products and services, delivered by the training department there should be several specialities. These specialities can be the role of internal consultant or some training programs. It is very important to have some instruments to get feedback about the quality of the different products and services. Panels of managers and other people can be of great help.

Ad 5. The staff of the training department

Of course, it depends on the training policy and the number of employees in the organization how many internal training managers, instructors, designers etc. are needed. It may be more effective to hire some specialities and facilities rather than to enlarge the department itself.

Ad 6. External assistance

External assistance will be important for the training department, for introducing some specific training programs, but also it will become more important to hire assistance from external training specialists for developing and actualizing an effective training policy. External specialists may provide a more objective analysis of the specific situation in which the organization finds itself (challenges and dangers in the environment and the strong and weak points of the organization itself). Another reason for hiring external assistance is to coach some training programs in order to build up internal expertise.

Ad 7. Programs

In section 3.5. we mentioned the most important programs for the future. The future organization will need, maybe more than ever, tailor-made training programs. External assistance for coaching the training staff to initiate or actualize these kinds of programs will be important.

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