

Leading into the Future V: Transition in Organizational Forms and Roles

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I propose that the transition from the premodern to the modern society has produced a comparable transition in the form that organizations take, and the roles being played by people who work within these organizations. Furthermore, there are comparable changes in organizational forms and roles that are taking place with the transition from a modern to postmodern society. In many cases, technology is the common element in bringing about the transition from premodern to modern and from modern to postmodern in both social structures and organizational forms and roles. New machine-based technologies created the industrial era, which transformed the ways in which people lived.

These technologies also produced the organizational transformations from premodern to modern. A new machine that can produce five thousand widgets an hour replaces low wage workers who can each mold only two hundred widgets per hour. The workers are now shifted to jobs that require monitoring of machine output or to jobs requiring the packaging of the widgets to be shipped halfway around the world. Other workers obtain a high school or even college education and enter the organization as marketing experts (so that potential buyers halfway around the world will come to believe that their life is unfulfilled without widgets). Others enter the modern organization as accountants (since monetary exchange has replaced bartering in a world where purchasers live many miles away). The largest number of workers now enter the organization as managers (for all of the other functionaries in the organization need to be coordinated, motivated and assessed). Thus, from the introduction of new technologies into an organization comes a sequence of events and decisions that produce new organizational forms and new organizational roles.

A similar case can be made regarding the transition from modern to postmodern social structures and organizational forms and roles. Technology has once again served as the primary transformer of both social and organizational structures. We are therefore in an excellent position to learn from the previous technological impacts that transformed our premodern societies. As Justin Fox noted in a special 1999 issue of *Fortune* (anticipating the new century):¹

. . . despite the prophets of the Digital Age who depict it as unprecedented, it's not. Just take a look at business history—which really only begins about 500 years ago. That's when the Commercial Revolution began in Western Europe, replacing eons of stagnation with global trade, sophisticated financial markets, increasing specialization of labor—and economic growth. This was a true revolution, a complete and total break with the past built around one of the essential realizations of the age, as laid out by Adam Smith in his *Wealth of Nations* in 1776: The true wealth of a nation is measured not by how much gold it possesses [the premodern emphasis on natural resources], but by what it can produce [the modern emphasis on productivity].

This laid the groundwork for a series of technology-related revolutions—of which the Internet is only the most recent. The most important of these breakthroughs made workers (and capital) more productive, and brought us to the unprecedentedly wealthy, unprecedentedly crowded, unprecedentedly connected, unprecedentedly complicated state in which we find ourselves. Once you look back at the early days of the factory, the railroad, the automobile, and especially the harnessing of electricity, a lot of what seems new about the Internet starts looking familiar. Better yet, you begin to get a sense of how this particular shakeup might play out.

The Tale of Three Organizational Forms

In this series of essays, I systematically review many of the elements of the three types of social structures and suggest several perspectives and strategies by which the leaders of contemporary organizations can survive in and even help to co-create our emerging postmodern world. Eight dimensions are commonly used by contemporary theorists and practitioners as focal points for their investigations and analyses of organizations: size, complexity, intentions, boundaries, communication, capital, worker values and leadership. My analysis of the emerging postmodern era will center on these eight elements. In the case of three of these dimensions I have combined two separate but closely related aspects of organizational life. Size and complexity tend to be closely related. Intentions and boundaries directly bear on one another, as do capital and worker values—especially when consideration is given to shifts in each of these dimensions during the premodern, modern and postmodern eras.

In essence, I am proposing that major shifts have occurred in each of these dimensions as our world has moved from a premodern era (based in the extraction of natural resources and craft work) to a modern era

(industrial and human-service based). Shifts of a similar magnitude are now occurring throughout the world (and particularly in the Western world) as we move into a postmodern world.

Size and Complexity

We find in the premodern era the dominance of simple organizational structures (usually based in the family unit) and an emphasis on gradual growth. By contrast, in the modern era, emphasis is placed not on the process of growth itself nor on the gradual expansion in organizational capacity, but rather on the outcome of growth, i.e. large size and an accompanying increase in organizational efficiency and market share. Organizational structures are no longer simple in the modern era. However, these structures are usually uniform within and between organizations (being bureaucratic in nature). Furthermore, these structures are compatible with hierarchically based forms of leadership and authority, and with the highly energy-intensive and technologically driven processes of mass production.

In the movement to a postmodern era, emphasis tends to be placed not on growth and largeness, but instead on keeping things small or of moderate size. Structures are neither simple nor uniform—despite the emphasis on smallness. Rather, fragmentation and inconsistency typify the postmodern organization. It is comprised of differing organizational structures, policies and procedures. While many people view this fragmentation and inconsistency as transitional in nature—between the modern era and some new, as yet undetermined, era—there is reason to believe that this will be a much longer- term condition of postmodern organizations.

	PREMODERN	MODERN	POSTMODERN
SIZE	<p style="text-align: center;">SMALL</p> <p style="text-align: center;">ORGANIC GROWTH</p>	<p style="text-align: center;">LARGE</p> <p style="text-align: center;">ECONOMY OF SCALE</p>	<p style="text-align: center;">VARIABLE SIZE</p> <p style="text-align: center;">FORM FOLLOWS FUNCTION</p>
COMPLEXITY	<p style="text-align: center;">SIMPLE</p> <p style="text-align: center;">UNDIFFERENTIATED FAMILY-BASED STRUCTURES</p>	<p style="text-align: center;">RELATIVELY SIMPLE</p> <p style="text-align: center;">UNIFORM POLICIES AND PROCEDURES</p>	<p style="text-align: center;">HIGHLY COMPLEX</p> <p style="text-align: center;">HYBRID ORGANIZATIONAL STRUCTURES AND PROCESSES</p>

Intentions and Boundaries

The premodern organization typically has tacitly held boundaries (particularly between work and family life) as well as tacitly held intentions. This doesn't mean that boundaries and intentions are unimportant; rather the intentions and boundaries are taken for granted and rarely discussed. There was little need for an explicit definition of organizational intentions since family members primarily performed the work of the premodern organization. Furthermore, their intentions focused almost exclusively on the provision of sufficient nutrition and shelter. Furthermore, even among those working in the trades, a formal statement of intentions was unnecessary since the product spoke for itself. A system of bartering and exchange of goods and services (for example, the farmer's market) eliminated the need for any substantial monetary system.

In the modern era, boundaries are quite clear, while statements of intention have tended to remain rather unclear or inconsistent. In modern organizations, clear distinctions are made between the places where employees work and where they live, relax, and worship. We know when we are entering and leaving a modern organization and often define this organization by its sheer existence rather than with regard to its specific intentions. Thus, in the modern era, large organizations can buy up other organizations with relatively little regard for the compatibility of organizational intentions and can diversify their enterprises primarily with regard to monetary or market gain, rather than with regard to some founding purpose or cause. In many cases, the mergers and acquisitions have resulted in impressive short-term financial gain and even in the rebirth of organizations that have been poorly managed or become stagnant. Longer-term consequences, however, have often been much less positive or even destructive to both organizations.

Frequently, the absent of a clear statement of intentions in modern organizations has been hidden behind the facade of fiscal accountability. The organization exists to produce a profit for the owner or the shareholders. Such a statement of intentions in the modern world heightens confusion or inconsistency in the identification and maintenance of long-term goals and sustaining values. While profits are often essential to the existence of a modern organization, they should not be the reason for its existence. Furthermore, profits rarely provide sufficient guidance to steer the leaders of modern organizations through the increasingly turbulent waters of our emerging postmodern world.

Postmodern conditions have precipitated a crisis with regard to both intentions and boundaries. In order to survive, most postmodern organizations have formulated clearer statements of intentions, in part because

they usually no longer have clear boundaries. As specialty shops in postmodern corporate and human service malls, these organizations must find distinctive niches and become more adaptive in the manner in which they market, produce and deliver products and services. The leaders of organizations in the postmodern world repeatedly must re-examine their intentions, for the world in which they operate is constantly changing and demanding new and different products and services. Without a clear sense of intentions, these organizations soon splinter or become aimless vagabonds or scavengers that feed destructively on other organizations and segments of our society.

	PREMODERN	MODERN	POSTMODERN
INTENTIONS	TACIT/IMPLICIT [IMPORTANT BUT ASSUMED]	RELATIVELY UNIMPORTANT INTERNAL: PROFITABILITY (BOTTOM LINE) EXTERNAL: PUBLIC RELATIONS (WHATEVER SELLS)	VERY IMPORTANT CHARTERING: MISSION VISION VALUES PURPOSES POSTMODERN GLUE/ANCHOR
BOUNDARIES	TACIT/IMPLICIT [IMPORTANT BUT UNACKNOWLEDGED]	VERY IMPORTANT UNIFORM POLICIES AND PROCEDURES [THE BUREAUCRACY] WORK VERSUS HOME	RELATIVELY UNIMPORTANT CUSTOMER-FOCUS PARTNERSHIPS AND ALLIANCES TROUBLING AMBIGUITY

Communication

Oral forms of communication were dominant in the premodern world. Small, simple organizations allowed men and women to freely communicate face-to-face with one another. A strong sense of community and homogeneity of interests and values minimized the need for written documentation. With the emergence of industrialized and highly specialized modern organizations, there came an increasing need for written communication (contracts, letters of agreement, recordings of transactions and so forth) as a substitute for direct interpersonal contact. Rather than seeing and listening to another person, one reads her memorandum

or written proposal. Other visual modes of communication also prevailed: television, film, graphics, and icon-based computer programs.

The postmodern world tends to be orally based—and in this sense more closely resembles the premodern than the modern world. In the postmodern organization we call each other and leave voice messages, rather than writing letters. We eliminate our secretaries and clerks, and seek to reduce paperwork. The Internet provides an opportunity for information and spontaneous communication to take place that seems more like extended conversation than a formal office memo. As computers are made available with even greater capacity and speed, we are likely to find that the written e-mail is replaced with the visual e-mail, making this mode of communication seem even more like face-to-face conversation.

In the postmodern era, short-term, face to face meetings, ad-hocracy, task forces and temporary systems have replaced long-standing bureaucratic structures that were dependent on written rules and the documentation of policies, procedures and program ideas. In this orally based world, gossip and story telling take on new relevance and appreciation, as does the interplay between communications and relationships. Words intermingle with nonverbal expressions of concern or happiness. People learn how to quickly bond together in temporary groups and then just as quickly disengage so that they can move on to different groups and different projects.

	PREMODERN	MODERN	POSTMODERN
COMMUNICATIONS	ORAL INFORMAL: BASED IN FAMILY AND COMMUNITY	WRITTEN FORMAL: BASED IN LAW AND BUREACRACY	ORAL:DIGITAL INFORMAL: BASED IN INTERACTIVE NETWORKS

Capital and Worker Values

Land and other natural resources (for example, gold, oil, and timber) are the dominant and most tangible forms of capital in the premodern era. Ancestry and reputation are two less tangible, but equally as important forms of premodern capital. The divine right of kings prevails. The Catholic Church has emphasized property and prohibited the use of money to make money, hence one could not charge interest

on a loan. Thus, an emphasis was placed on property rather than money. Workers, in turn, tended to focus on shelter, food and water—and quality of life. They readily conformed because they looked outside themselves for the essentials of life. They looked toward people in positions of authority to provide both guidance and sustenance and asked for little in return.

The modern forms of capital, by contrast, have been money and buildings. Reputation and ancestry have become less important. The new wealth and new bourgeoisie are more liquid and more volatile. Rich men come and go. This new form of capitalism was supported by Calvinistic doctrine and by the Protestant churches that became more dominant and influential (at least in middle and upper classes) during the modern era. One's worldly success (as manifest in the non-conspicuous accumulation of monetary wealth) is a sign of one's predestined salvation. Thus, poverty is considered in some very basic sense to be sinful and a sign of one's damnation, as is laziness and a questioning attitude about the dominant social order. This *Protestant Ethic* has dominated European-American notions about the meaning of work and capital for several centuries.

Modern workers no longer owned the business in which they worked, nor did they have a close familial (paternal) relationship with the person who did own the business in which they worked. Workers were now confronted with large, faceless corporations in which responsibility for worker welfare was absent or at best diffuse. As Marx suggested (at the start of the Modern era in Europe), workers were now *alienated* from the profits for which they toil. They no longer “owned” the products and services they were employed to provide. Thus, the primary motivators for workers in modern organization concerned assurance regarding job, wages and health. Modern workers wanted three things: job security, adequate pay and benefits (a living wage) and a safe work environment. They often unionized in order to obtain assurance in these three areas.

The new capital of the postmodern era is information and expertise. Approval (and its inverse, shame) are components of the new capital. Values of the postmodern worker compliment this new capital. Emphasis is placed on three motivating factors: the meaningful of the work, the ability to influence the work environment and the quality of interpersonal relationships among those working in the organization. The three modern motivators (job security, wages and safety) are still important. They must be addressed in a satisfactory manner prior to addressing postmodern motives. However, assurance regarding job security,

wages and health is no longer sufficient. Increasing attention is given to the meaning of work and to recognition derived from colleagues and one's boss(es) regarding the quality of one's work. Quality of Work Life programs and Social-Technical Systems dramatically increase worker involvement in the design of production systems and even in daily decision making regarding purchase of equipment, composition of work teams and increased worker safety and security. The new values of the postmodern worker begin to border on the spiritual domain, as greater meaning, purpose and ownership is sought in one's work and affiliation with an organization.

	PREMODERN	MODERN	POSTMODERN
CAPITAL	LAND AND NATURAL RESOURCES REPUTATION	MONEY	KNOWLEDGE INFORMATION
WORKER VALUES	NUTRITION SHELTER QUALITY OF LIFE	JOB SECURITY COMPENSATION (SALARY AND BENEFITS) JOB SAFETY	MEANINGFUL WORK INFLUENTIAL IN WORKPLACE INTERPERSONAL WORKING RELATIONSHIPS

Leadership

Leaders in the premodern era tended to be *great men and women* who were selected for their character and education. Great men not only led organizations, they also influenced history and established societal values. Leaders were either born to greatness or provided with an elitist program of liberal arts and mentorship. They tended to exert authority through a paternalistic concern for the welfare and proper education of those who depended on them.

By contrast, the more democratic modern era tends to emphasize structures, processes and procedures that ensure the appropriate expression of leadership and influence. Events and structures—not great people—determine the course of modern history, and values are identified as products of the system and bureaucracy rather than as products of any specific individual(s). Emphasis was thus placed not on identifying or producing a great leader (as in the premodern society), but on constructing a *great system*. Those who head modern organizations typically define themselves as managers rather than leaders. They were to manage and be worthy stewards of the great system that had been created by other people (the nameless and faceless designers of bureaucracies). Modern authority is expressed through the autonomy of rules, regulations, roles and organizational structures.

	PREMODERN	MODERN	POSTMODERN
LEADERSHIP	THE GREAT PERSON WISE BRAVE VISIONARY	THE GREAT SYSTEM CENTURY OF THE MANAGER DELEGATION/ SUPERVISION COMMUNICATION/ CONFLICT-MGMT/ PROBLEM-SOLV/ DECISION-MAK MOTIVATING/ GOAL-SETTING AND MONITORING	THE GREAT CONTEXT [PERSON AND SYSTEM IN INTERACTION] LEARNER ENTREPRENEUR SERVANT RIGHT PERSON AT RIGHT TIME IN RIGHT PLACE

The postmodern world has called both the premodern and modern notions of leadership into question. The postmodern leader is neither inherently great nor is she merely a product of a great system or bureaucracy. Greatness in a postmodern society involves *interaction and great alignment between potentially great people and a potentially great system*. The postmodern leader can be found at any level of an organization. Individual leadership can be effectively exerted and will be influential if applied at the right time, in the right place, in the right manner, and with regard to the right problem or goal.

This contextual model of leadership requires careful consideration of both individual and organizational character and style. It also requires a tolerance for ambiguity, recognition of the need for one to learn from his or her mistakes, and a clear sense of personal aspirations. It is ultimately spiritual rather than secular in nature.

ⁱ Justin Fox, "How new is the Internet, really?" *Fortune*, November 22, 1999, pp. 174-175.