PETER DRUCKER
CHALLENGE

Drucker Challenge Essay Contest
2012

4th Global Peter Drucker Forum
"Reinventing Work, Reinventing Organization"

Organization 2.0 – Reimagining Work, Reimaging Organization

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28 June 2012

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> *"The essence of organization has shifted and will continue to shift from focusing on structure to capability. Capability represents what the organization is able to do and how it does it rather than the more visible picture of who reports to whom and which rules govern work…Organizations will operate in the future to identify and nurture a handful of critical capabilities".[1]*

1. Introduction

In the 19th to 20th centuries, the work environment was very much structured and centered on managers. The manager was at the helm of affairs and controlled virtually everything in the company. Information and knowledge was the province of managers alone, dominating and sharing on a limited basis. The purpose of work was simply survival and an accumulation of wealth and social status. Work conflicts from employees were highly regarded disruptive and intolerable, whilst division of labor was the sole decision of managers with employees the robots to execute, somehow thoughtfully. Most of all, power was largely concentrated at the top with limited functional sharing.

This traditional practice of management may have been good in itself; however changing work relationships, the global economic environment, and emerging technologies have started to make this traditional cycle seem out of touch with reality. Muzyka affirmed this notion when he wrote that:

> *"Organizational behavior has moved from an emphasis on the structural aspects of functional and cross-functional organizations to more flexible models, including enhanced consideration of short-term, high performance teams".[2]*

Cloke and Goldsmith also acknowledged the age of traditional management as coming to an end and the decline of hierarchical, bureaucratic and autocratic management. They contend that the traditional management practice is an idea whose time is up, and organizations that do not recognize the need to share power and responsibility with all their workers will ultimately lose their workers.[3] Drucker further described the traditional management system as 'no longer viable', and analyzed that the future organization would require a transformation of management practices. He wrote:

> *"Management has evolved into a system of creating relationships between informed workers who are able to direct growth. In today's organizational structure, managers and executives should not be demanding production results. Rather, they should be creating teams, partnership, and seeking opportunities to grow the organization into a*

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[1] Ulrich (2000: 240)
[2] Muzyka (2001: 8)
[3] Cloke & Goldsmith (2002)

more profitable and efficient system that is able to produce and evolve based on consumer needs".[4]

This essay would discuss how organizations can reimage their work structures and relationships to meet the changing variables of organization play. It would also explain how organizations can create core competences so they can embrace this change and turn it to their competitive advantage.

2. Organization 2.0: A decade from now

A major study ('Management Futures') conducted by the Chartered Management Institute, which included a survey of 1,000 senior executives, on how the world of work and management will look in 2018 revealed that:

> *"The working population will be more diverse. Changing expectations of work and the impact of new technologies will require managers and leaders to develop a range of skills that focus on emotional and spiritual intelligence, judgment and the ability to stimulate creative thinking to improve productivity".[5]*

Gratton further analyzed that changes in organizational and management capabilities to include employee freedom and development would create the chance for the development of a democratic enterprise. She writes:

> *"Over the last decade it has become increasingly clear that through the forces of globalization, competition and more demanding customers, the structure of many companies has become flatter, less hierarchical, more fluid and virtual. The breakdown of hierarchies provides us with fertile ground on which to create a more democratic way of working".[6]*

The revolution in work trends of organizations in response to emerging changes in technology, economy and society is simply what organization 2.0 depicts.[7] Organizations that want to excel in the future will need to understand the new economic, demographic, and workforce realities so they can design experiences that help workers excel, encourage organizational performance, and empower innovation.

2.1 The Design Features of Organization 2.0

According to the famous book by Rasmus "Management by Design",[8] the future organization would rely primarily on three elements to shape experience – technology, space and practice. A fourth element, one that synergizes and operates the three elements afore, – knowledge workers –

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[4] Drucker (1954)
[5] Chartered Management Institute (2008)
[6] Gratton (2004)
[7] Teemu (2008)
[8] Rasmus (2010)

was further added by Drucker in his Harvard Business Review article "The Coming of the New Organization".[9] These elements when optimized, and used together, would define how work experience in the future organization would be realized.

Technology

Technology would be used primarily to automate and/or facilitate work processes to increase efficiency and work effectiveness. Businesses would turn to automation to achieve efficiencies and stave off the cost and the emotional pain of laying off workers in times of uncertainty.[10] The increase in technology would imply more people losing their jobs, or becoming unemployed. These unemployed people can only survive by creating jobs that satisfy emerging needs of consumers. What technology would do best would be to transform employees into entrepreneurs. People would be forced to make a living out of innovation[11] because there would be insufficient jobs to hire them. Aside the role of automation which technology would play, it would also facilitate work processes to enable people work together. For example, cloud computing would ensure that workers would have access to their firm's resources from remote locations thus enabling work to be carried out at home, abroad and just about anywhere. Further, the Web2.0 platform[12] would ensure that communication in the work organization is improved to include not just chats, emails, fax, phone, face-to-face meetings, blogs, wikis, and reports, but also video conferencing, intranets, mailing list, instant messaging, and social networks. The access to technology in an organization would increase the freedom of its workforce to experiment, design and innovate without being risk averse. When workers of an organization are free to use their minds, they only do one thing best – solve problems.

Space

Space practically refers to the conditions upon which work is done. How would work be done in the future organization? Would the future organization be contained in a gigantic building with so many offices, one for each worker or group of workers, to carry out their divided roles or would it consist of shared workspaces or cubicles that facilitate communication and team play, and where workers could carry out group projects and research? What of virtual spaces where workers gather together to collaborate, or present to each other or better still, personal spaces where workers could provide presentations and feedback on their PCs and tablets from home or abroad? Space is definitely paramount to the effective functioning of workers in an organization. Thus, the future organization would be one that encourages workspace freedom, accessibility and flexibility. With that, personal and virtual spaces which encourage work to be carried out at different remote locations and thus enhancing work speed and efficiency would be a functional practice of Organization 2.0. Besides, the future organization would not be contained in large exquisite buildings with several offices for several employees. Workers would be required to work in groups and teams in shared workspaces to solve business problems, carry out complex

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[9] Drucker (1998)

[10] Ryssdal (2010)

[11] The 2011 State of the Union address by US President Barack Obama where he stated that in America innovation does not just change people's lives, but rather is the way people make their living.

[12] The Web 2.0 Platform is a new technology that would provide support for human interaction management for non-routine, knowledge-based workplace activities, and would address the desperation people feel when they are swamped by increasing demands in today's workplace.

business processes, and satisfy emerging needs of consumers. Again the emphasis on space in Organization 2.0 is one that gives the worker ample freedom, access and flexibility to innovate, develop and be useful.

Practice

What policies and practices would the future organization develop and implement? Would they be rigid laid down rules established by management or would these polices be flexible and progressive? Surely, it would be one that reinforces the ideas of technology, workspace flexibility and innovation. These policies would integrate workers into the core values of the organization – meaning to say, policies would be built around workers and not the other way round. These policies would not tell the worker what to do, but would rather motivate the worker to do what he enjoys to do. This culture that imbibes the worker to organizational values would steer passion in workers and propel them to function at high levels of efficiency. Workers would be given permission to fail, and to learn – and with that, would be more prepared to accept the responsibility to teach others what they learn'.[13] For example, work hierarchies may be merged with work networks so feedback and reporting could be easily carried out amongst cross functional workers, consumers and contingent staffs. Also, regular scenario planning and horizon scanning may be conducted to ensure that everyone in an organization feels an information obligation, and that they have the time and the mandate to discover and share information they think will affect the organization in the future. These practices make workers responsible and jointly accountable for their actions and inactions, thus increasing their commitment and loyalty to organizational goals and values. Besides, the future organization would be focused on adopting policies and practices that managers, workers, and partners could exhibit in their work behavior everyday as values, and not as rules.

Knowledge Workers

According to Drucker, knowledge workers are the human capital that gives the firm its wealth producing power.[14] As a result, the management of these knowledge workers should be based on the assumption that the corporation needs them more than they need the corporation.[15] The next decade of business would encompass 'a combination of vision, knowledge and concepts' which would involve the use of the mind and not the hand in solving business problems.[16] The knowledge worker would be at the helm of this by bringing vitality, passion, creativity and willingness to taking risk in the name of innovation. They would not be limited by boundaries of a workspace or a peculiar job or firm, but would be highly mobile and could work for different companies at the same time. They would lose identities with jobs and gain responsibilities as problem solvers.[17] As a problem solver, the knowledge worker would combine technology and knowledge into information that provides solutions to emerging needs of consumers. In effect, the knowledge worker would become the 'center of gravity of the labor force'[18] and would be largely indispensable to the core functioning of Organization 2.0. This means that organizations

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[13] Waller (2008)
[14] Drucker (1954)
[15] Drucker (2001)
[16] Drucker (1959)
[17] Drucker (1999)
[18] Drucker (1968)

would need to pursue policies that are flexible and does not restrict the activities of these workers, if they intend to keep them within the organization. Managers would have to build quality relationships that improve trust with these players if they want to meet their targets. The knowledge worker would not be the employee of yesterday who followed dictates of management for fear of losing his job. These knowledge workers have enough competence to leave the organization anytime they want. Whilst the knowledge worker would not be bent on a fat salary as motivation to work, managers must ensure they provide the enabling environment for these workers by offering flexible work schedules, child care, wellness centers, job benefit packages, amid others to promote their sense of well-being at work. The more managers see these knowledge workers as partners of the organization, the more these workers would increase their sense of loyalty to the firm and be able to innovate and develop.

3. Materializing the Vision

According to Peter Fingar in his book 'Work 2.0'[19], organizations can materialize the future vision of work by five simple measures:

Connecting Visibility: Organizations should be aware of the core competences of their workers and should design flexible policies that correspond to their work style. The essence is to link what a worker can do best to a peculiar organizational strategy so the worker can perform in high levels of efficiency.

Structured Messaging: Communication in the work organization should be structured and goal-directed. Workers should be made aware of their responsibilities whilst feedback reporting should be made rather flexible. Informal chats, dialogues and discussions should be encouraged within the organization to promote management-worker relationships.

Support for Knowledge Work: Organizations must learn to reward the time and mental effort their staff invests in researching, comparing, considering, deciding and generally turning information into knowledge and ideas. This would improve innovation amongst knowledge workers as well as their relationship with the organization.

Supportive rather than Prescriptive Management Activity: Managers must desist from corporate policies that restrict the worker to develop and innovate. Rather, knowledge workers should be supported through flexible and supportive policies that enable them to mature individually and perform at their highest potential.

More Networks, Less Hierarchies:

By the Peter Principle[20] workers would tend to rise to their levels of incompetence in a hierarchy. A tall organizational hierarchy only breeds bureaucracy, inefficiency and work standardization. Employees would tend to become more risk averse and would lack the freedom to innovate and develop. With technology, organizational networks could be established to enhance coordination

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[19] Fingar (2007)
[20] Peter & Hull (1970:22) "A theory that explains that within a hierarchy every employee tends to rise to their level of incompetence"

and team play amongst workers and provide the freedom, flexibility and access that they need to get work done.

4. The Way Forward

Organization 2.0 is not just a concept, it is a near reality. Through and through, the world of work is gradually shaping towards the glorious tenure of this future organization, and we must be prepared for it. How can we do that?

First, schools must teach students to be responsible and to take ownership of their education. Students must not just be trained to memorize concepts and formulas, rather they should be nurtured to think and create a world out of what they learn. With that, we would have less students graduating as job seekers, and more as problem solvers. Once students learn to be entrepreneurial, they create a sense of value in themselves and are more poised to progress and to succeed when they graduate. The more students graduate as problem solvers, the more knowledge workers would abound in the future organization.

Second, there should be less control of business organizations by government. Rather, governments and businesses should work closely together to improve domestic and international competitive positions. They should encourage economic expansion through the growth of global consumer markets. Government should flex regulatory procedures so it becomes easy for entrepreneurs, individuals and investors to start businesses. Additionally, government should create the enabling environment for businesses to grow, survive and maximize profit by providing businesses with tax reductions, loans with low interest rates, and subsidies, as well as tax exemptions for start-up companies and investors. When businesses grow and increase productivity, they create wealth for the nation which in turn creates a relatively stable fiscal economy.

Third, social entrepreneurs and Non-Profit Organizations (NGOs) should focus more on building human capital content within the society. Since innovation cannot be left in the hands of a handful of creative graduates, more people would need to be trained on how to be creative and innovative at work. Thus, NGOs and social entrepreneurs could step in by offering workshops, courses, seminars, and internships to provide graduates, and other individuals in the society the opportunity to learn and develop their minds so they can create and innovate at work. They more people get creative and innovative, the more they are able to utilize the opportunities in society for the good of society.

5. Conclusion

It is true firms cannot predict the nature of the future organization with utmost certainty. Things change, people change, times change, and events occur that completely displace the expected turn out of things. However, if firms cannot predict the future, then what they can do is to observe, understand and adapt to the variables of change at play. By observing the variables at play, firms can actively engage in understanding and monitoring, and then incorporate those

uncertainties and their resolutions, as they become clearer, into their plans. Hitherto, they would need to reimage their work culture and structure by synergizing and incorporating technology, workspace flexibility and good management practices in order to create and direct Organization 2.0.

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