

MEETING CHANGING NEEDS AND VALUES

F. EMERY

17 November 1976

This symposium had as its initial stepping stone the suggestion that there may be more involved in the current inflation than economic theory can cope with.

It is many years ago that the distinguished psychiatrist Bion suggested that the behaviour of money might reflect changes in the basic group emotion currently gripping a society. As I read him it is when a society is gripped by the basic emotion of fight-flight that it is most likely to suffer inflation. In that state of mind tomorrow does not matter, it is discounted; its today's flight or fight which alone counts. As I read today's trends our society, and not sure ours alone, is gripped by the basic assumption of fight-flight; with flight preeminent. The flight is from society, a mass tendency to dissociate from others and retreat into private worlds. Private worlds made comfortable are bearable by colour television, high-fi's, fancy cars, drugs and high fences. If this hunch of Bion's were correct inflation could be combated only by moving the society to either the basic group emotion of dependency or the basic group emotion of 'pairing'. In the first case the mass trends toward dissociation would be off-set by massive increases in government regulation. In the latter case dissociation would have to be reversed to a mass trend toward mutual help and support, i.e. toward association.

Now Bion's hunch is still no more than the crazy sort of insight one would expect from a person of his genius. Nevertheless, the thoughts it leads us to have a considerable relevance for our present situation. There is the thought that a goodly measure of persisting unemployment will make the workers more security conscious and more docile (in our 1973 survey of the urban workforce only eight per cent expressed such fears). This, and even the apparently opposite schemes for reactivating like NEAT and RED, would go some distance to activating the basic group emotion of dependency.

I want to go off exploring in a different direction for reasons that had nothing to do with Bion but, of which I am now uncomfortably aware, look very much like attempts to establish the dominance of the group emotion of pairing.¹ Whether the causes of the current inflation it does seem that the policies we adopt utilization of our resources will play a major role in winding down inflation. And none of these

¹ My discomfort arises from the realization that I should have found time to test Bion's hunch and never did even though once solicited by a multiple national to do so.

resources is as important as our human resources. No other resource can *purposefully* multiply or withdraw its contribution.

I am well aware that these statements are so obvious that they are trite. But, if they are so obvious why do we seem to talk about everything but these things in our public discussions of the current problems with production and distribution. I think it is because of the persistence of the tendency to think in terms of industrial cannon-fodder: to think that when labour problems are boiled down to the hard economic realities all that is needed to create a predictable performance is a flick of the economic whip or the sight of a carrot. I would be very surprised if the Treasury's much vaunted and little exposed model of the Australian economy is not based on such assumptions. The realities have changed and I think we will certainly go on making wrong economic decisions if we do not start from these changed realities.

What is the nature of these changes and where are we now at? Fortunately the recent government launched some major studies into just these questions and hence we at least have some answers based on factual enquiry. The Coomb's report on the Australian Public Service (our largest single employer) had a swag of statistical surveys of staff attitude at its disposal. It concluded that:

“the administration needs to be responsive to new trends within society; to an increasing reluctance among employees to work within the old-style strictly hierarchical organization; to a growing awareness of the need for ordinary people to find satisfaction and fulfillment in their jobs; to the demands of individuals for more flexibility and variety throughout their working lives.”
(p.17)

In accord with the emerging social climate favouring participative styles it noted that:

“We have refrained from making further specific recommendations on this matter for two reasons: first, we believe the need for modification and adaptation is appreciated by the Public Service Board, departments and the major staff associations. Secondly, it is our view that productive innovation will best proceed if people become committed to the need for change and the merits of diversity.” (p.248. 9.2.18).

The Jackson report on our manufacturing industries laid down that two of our five national objectives for that industry should now be:

“*improving the quality of worklife* to match the expectations of Australians for dignity and fulfillment in their work; including of course the right to work”.

“helping to adjust expectations to reality and developing and sustaining shared aims and ideals, so as to encourage social cohesion”. (p.6)

They also noted as did the Coombs Commission the increased aversion to authoritarian structures, routinization of work, etc. The study of the Australian workforce that Christ Phillips and I did underlines these changes. Several of our findings were clear and I think very relevant to our considerations here today:

- the quality of work is overall as important to the individual as is reward, provided that the reward is adequate (and meet feel that the reward is fairly adequate)
- the people under 35 years of age (our TV generation) are much more sensitive to the quality of work regardless of their educational level or occupation.
- The more education the person has the more he or she is concerned about the quality of the work, not just its rewards.

This last point is important. We are not just discussing values, attitudes and expectations that might be reversed by an additional flick of the whip. The additional education that people have gained in the post war years is not that easily eradicated. The associated demands for greater self respect and dignity can be expected to grow not diminish.

I would seem remiss of me not to mention one further finding from our survey. Our labour force now has a large migrant component. Many recruiters of migrant labour thought that they were importing a more docile labour force. This seems generally true of the male migrants. It is on our figures not true of the female migrants.

I can find no body of evidence that comes anywhere near countering the evidence and the conclusions of these three reports. So I must start from the assumption that they are our best indication of how our values and expectations in work have changed and of where we are now at. Let me try to summarize the implications.

I think that the message coming through is that our people, our human resources, are about to give of their best in any continued form of the Master-Servant relation. The qualities that workers look for in their work are simply not achievable when they have to work daily, even hourly, under the supervision of another who is empowered to make decisions about the what, the how, and the with whom of their work. Courses in human relations for supervisors do nothing to change this basic fact. Weekly or fortnightly consultative meetings of management and elected worker representatives bear no relation to what goes in the supervisory routine out on the shop floor. Job rotation and so-called individual job enlargement are just farcical attempts to meet human requirements when these are dictated or at least enforced by the supervisor, regardless of whether the individual wants to be enriched.

I constantly hear that this is not what our supervisors are like. I also find in our surveys that the supervisors are members of the human relations school of thought. I also happen to find that their subordinates think nothing of the sort. From the receiving end he still looks like the boss.

I think that much has been done to try and eliminate the Master-Servant relation from Australian industrial relations. I think that the evidence about current attitudes implies that we should need do something more about this, that we should do it soon, and that by so doing we would have a far better chance of mobilizing our human resources to meet the challenges inherent in our work.

The alternative to the existing fabric of Master-Servant relationships is a much higher degree of self-management at the work-face. Individuals, with their peers, would have to take much more responsibility for the quality and quantity of their output. Management would have to rely much on the achievement of objectives on a weekly or fortnightly basis than a supervisory check every odd hour to make sure that everyone at least appeared to be busy.

The big question is of course, whether workers would assume such responsibilities. They obviously will not if it is not offered. Responsibility only grows on offered challenges. They will not if it simply looks like an offer to contribute more (not work harder mind you) without added recognition. When the additional challenges are offered and their contributions are recognized, people do respond, because they happen to be human, not just the stuff of which cannon-fodder is made. (Emery and Thorsrud, 1976).

How do we create a society in Australia where it is normal for a person to expect the challenge of self-management in his job and to expect an appropriate reward for meeting this challenge? Our concern today is only with industry although it is obvious the issue has broader implications in all walks of our lives.

It may seem paradoxical but I do not see how we can eliminate the last vestiges of the Master-Servant relation without the exercise of leadership: by those who represent the masters, those who are the masters of the servants unions and those who sit in our parliaments. I will readily grant that "people cannot be trained for democracy by autocratic means" (Lewin, 1948. P. 50). I will just as strongly assert that if people are accustomed only to autocracy and servility they must be forcefully led to confront and learn from the problem of managing themselves. Adults are not children and I think we have no right to perpetuate this state of childishness into the adult work life. They may have come, however, to regard this as the natural state of affairs and, in a large organization, the middle management and supervision are tempted to think that their special position arises just from the obvious immaturity of those of their colleagues who failed to get promotion. How can this leadership be usefully exercised?

If the board and the senior management are only 90% convinced that this is the direction they must follow then they might just as well forget it. The middle and lower management levels will certainly frustrate half-baked commitments of their superiors. This is not to deny what a real leader can do if he is lucky enough to be in a senior management role: it is only to recognize that few in these roles are there because of their leadership capabilities.

Getting 100% commitment at this level would be rendered a lot easier if around them they could see others engaged in a national debate of the issue. The Jackson committee saw this as a first step. It certainly accords with the Swedish experience. When our report on the Norwegian experiments came out in 1969 the Swedish Confederation of Employers and the Trade Union Council sponsored publication and fomented widespread national debate. In this atmosphere many organizations whom we had thought to be rather old-fashioned and timid felt emboldened to have a go for themselves.

The ACTU expects to be debating policies on industrial democracy at its next Congress. Perhaps it is not too much to expect similar leadership from the employer side. I think it would be a healthier climate of debate if these two bodies were seen to be leading rather than leave it to Government initiatives. The role of government should be to aid and abet, and to provide encouraging examples in its own role as an employer. There are some very welcome signs that it is doing the latter, as noted by the Coombs Commission. To better aid and abet one would rather hope that the structure and resources of the Productivity Councils could be revamped with explicit recognition given to the fact that one of the products of industry is people. This is a widespread network of resources but it would probably need to be decentralized further in the suburbs and towns if it were to get aid to those who most need it - the mass of small and medium-sized firms.

When we talk about government aid I think we would be wise to think only of funding educational and consulting aid. In pursuit of the same end that I am talking about the Germans are doling out tens of millions of Deutschmark. Most of it is subsidizing experiments in giant corporations like Volkswagen and Bosch Electrical. In my experience this is just not necessary. The changes required can practically always be self-funding. Worse than that, such subsidies encourage the illusion that a technological revolution is needed to fuel the cultural revolution.

This brings me to the last point that I want to make. If we are to meet the changes in needs and values we must recognize that it entails nothing less than a cultural revolution. The culture of modern industry has been persistently and pervasively autocratic and hierarchical, from the managing director down to the sweeper. What is emerging now are practical solutions to the democratization of work and non hierarchical forms of organization that still recognize the different kinds of work done in operations and management and at the board level, without assuming any make less contribution to the overall task than another. These cultural differences will not

rest easily together in the same organization. If operations move over to participative democratic styles we can hardly expect management to settle for less in their work. If the professional staff move this way into so-called project teams and matrix organization but the supporting function such as accounts do not we must expect trouble whenever they are expected to coordinate their work. I think we might find ourselves lucky in this country with two aspects of the cultural change. I do not think there is much deep-seated 'fear of freedom' in our national culture, at least relative to what I have found in Europe, working with a similar mix of people about the same problem. Provided practical solutions are seen to be available I think there will be a willingness to have a go, and not much of the paralysis of will that occurs when one has nightmares about what people (including oneself) just might do if they are as it were, "given an inch".

The second aspect we share with the Norwegians but with neither Europe nor the U.S. Managers may and frequently do feel that operators are ignorant and 'couldn't care less'. They are less likely than their counterparts in Europe and the U.S. to assume an incapacity for learning or taking responsibility. These may only be differences in cultural stereotypes but they can make a substantial difference when change must be brought about cooperatively on a basis of mutual trust and respect.

We may or may not have these cultural advantages. We are certainly as likely as any other people to make a common mistake about cultural change. From other life experiences we are likely to assume that a step-by-step strategy would be the most effective. It is easier to take a short step in the right direction than a long one but it can often be less effective. The short step may leave the situation too close to the traditional cultural pattern and in no time the old attitudes and social divisions are back in full force. A long step may require more preparation to bring about but once made it is easier to protect from reversion to the old ways.

Let me try to sum up what I have been saying.

We have been living with a picture of people at work which has never been true. It was conveniently supportive of our traditional notions of social order, so we persistently denied the contradictory evidence. This no doubt helped to impair our judgement in all aspects of human affairs. Concomitant with the greater with the greater education of our young people this old picture is no longer defensible and much of what seemed essential to the old social order seems irrelevant e.g. church every Sunday, school cadets, saluting the flag, Freemasonry, the RSL, competitive team sports.

To bring the organization of work into line with the newly emergent picture of people at work requires a major change in the culture of industry. This change can I think be achieved because there is a will to achieve it and some knowledge and experience of how to get on with the job.

What you might ask, has this to do with winding down inflation? I must ask in reply would it help if wages and wage increases became closely related to real productivity gains? Would it help if people gained so much dignity from their association with others in productive work that they would spurn a retreat into the wired-in private worlds? If you say that these things would not help I would have to question whether your theory of inflation is about the real world.
