

**THE CULTURE OF CONTINUOUS
DEVELOPMENT & REGENERATION**

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Continuous Improvement has become a catch phrase of Western business managers in the last decade of the Twentieth Century. Managers consume books and articles that tout Continuous Improvement as the salvation of American Industry in a globally oriented competitive marketplace. Leadership exhort its workers to continuously improve products and manufacturing processes. This paper is focused on presenting why continuous improvement is important but not sufficient to the times we face. It is necessary to go beyond the idea of improving on what exist and to move to creating what does not yet exist nor has yet been conceived of—to work on development and regeneration. The problem with this demand is, that most Western companies don't have a culture that can fully value such aspirations, much less an understanding of how to create one. The

purpose of this article is to develop an understanding of what must be created in Western corporate culture to make a continuous development and continuously regenerative ethic an accomplishable and, further, sustainable reality in Western Business.

DEFINITIONS: It may be helpful if here at the beginning, a definition for some key concepts is provided.

Continuous Development Ethic-

Ethic— a body or complex of principles, values, or precepts governing an individual or group

Development— has as its purpose to create an advance over a previous state by providing a more valuable or desired condition to those to whom we contribute. It works from unfolding of potential rather than improving what is already in existence and from the idea of seeking to unveil that which is hidden or to bring forth the essence of something for the potential to be

manifest.

Continuous— to be in immediate and uninterrupted connection and relationship in space and time, with those entities and elements necessary for reciprocal maintenance.

Regeneration—o give new life or renewed life and meaning

A **continuous development and regenerative ethic** exists where individuals and groups value a dynamic and interactive relationship and understanding with the nested and interrelated systems of which they are a part (e.g. Customers, Shareholder, Environment, Society) and seek to do what it takes to make a difference in the vitality and viability of all these systems thus ensuring their own opportunity to gain resources to continue to evolve their potential. This is accomplished by a recurring rediscovery of the contributions needed from themselves, teams in the

operation, and organizations that make up the entity in order to shift the capability of these systems to evolve in their endeavors. It is measured by the quality and rate at which they are able to advance the state of these systems toward a desired condition compared to competing conditions or entities, be they competitors and their products, or the escalation of environmental hazards.

Culture- There are two elements of culture that are relevant to our discussion. A culture is the particular collection of agreements and points of view for living by members of a particular society. They are reflected in what is acceptable in terms of behaviors, feelings, and thoughts. A culture in this sense, is created, maintained, and evolved through basic values (to what we give status), the symbols we adopt, the rituals we use to reify and lift to conscious our agreements, and the taboos we use to prevent non-adherence. The instilling of culture is the process we call of socialization when engaged with children or

new citizens to our society.

A second element of culture comes from an agrarian base where cultivating is the process of working the land to ensure it is made fertile and productive for living species. In this particular case we are talking about tilling a culture so that the minds, spirits and activities of people are nourished and enabled.

It is important to understand that we live in a culture because it is so much a part of our way of being, that we don't how it really controls our individual and collective destinies. It is like the proverbial "fish in water" metaphor whereby the fish does not know it is even in water, or of what water is made and yet the water determines it health and fitness to live. Without consciousness of our culture we can't determine whether it is appropriate to the times and conditions in which we live or to the aspirations we hope to achieve.

Our experience in working with Western and Internationally owned business units , suggests that there have been three major eras. through which business cultures

have evolved These eras correspond to changes that have occurred interactively between industry's drive for upgrades and the changes occurring in the dynamic environment of industry. The evolution of these eras has been influenced by ideas that have been taken by industry from university professors, sociological and psychological writers, scientists, and management consultants as *their* thinking has evolved. Industries are at different stages of organizational development in passing through these eras, as are different companies and different units within each of these companies. Each era may be seen as an adaptation to the changing environment of the time. None of the three of these cultures is sufficient for producing *continuous development and regeneration much less continuous improvement* . A fourth evolution is emerging in our business culture that is more aligned with continuous development and regeneration. This paper will describe the previous three cultures, still in existence in most of America, and the shift that is necessary

to produce a culture appropriate to a continuous development ethic. This paper is also designed to invite us to consider whether we may be using ideas and approaches that were appropriate when they emerged in a previous era, but can not produce what is demanded of us in the today's changing environment and the evolving conditions of the global marketplace.

THE MAN/MACHINE-BASED ERA

The inauguration of the Industrial Revolution significantly altered the role of the craftsman in our society. It is now possible to manufacture many times the number of products in a day than could be produced by a craftsman and apprentice(s) and as a result there seems little need for an individual who can understand the whole manufacturing process. In the interest of mass production, the work can be segmented in order to facilitate the individual operations required in the manufacturing process. This segmentation has produced an arena in which a relatively

unskilled individual can participate in the manufacture of products of relatively high complexity. This shift has called for work that is repetitively and quickly performed since it is a relatively small part of the overall manufacturing process. This has laid the groundwork for what has quickly become a culture that sees workers themselves as machines or at the most, extensions of machines.

The man/machine mindset leads managers to operate from a set of *beliefs* that guides how they view the potential in the workforce and thereby tends to produce a "fixed" view of the options that can be initiated with workers. First and foremost is the idea that workers are hired for their hands and backs, not their minds. This is associated with a belief that workers are machines themselves. This association has fueled by the replacement, by machines and robotics devices, of much of the work that had been done by humans. As a result of this association, creative development and improvement activities have been

separated from those who perform the work and focused instead of materials and technologies.

The ideas of the behaviorist schools are predominate in this era and the motivation theories of B.F. Skinner and other behaviorists have been adopted as the accepted theory of motivation. These theories hold that people are motivated by the same cause/effect, stimulus/response mechanisms that motivate lower animals. This thinking has been developed in laboratory research using animals to study behavior. This ideology has lead to disregard of, even denial of the existence of, thinking skills and the self-management of thought as having a role in our ability to influence our own behavior. Because these capabilities are excluded as a source of behavioral self-management, they are also not generally been seen as relevant for development in people or as relevant to be used to improve the work being done by people. This set of theories has given pre-eminence to the five senses (and diminution of inner reflection skills) as the

source of learning and the target for modification as taught in management behavioral programs.

The other primary accepted way to cause a shift in productivity is through the customary course of action of investing in new hardware or other production facilities or in new sources of raw materials. This mind set tends to see workers as "fixed" in their capability and that capital investment is the sure course to improved productivity. If consideration is given to people, it is focused on them as a replaceable commodity to be managed, and as a "cost of doing business". The general course of action to be taken in a cost reduction effort is to "cut people" or the cost associated with people, particularly training and time to participate in task groups.

The primary *goals* in the man/machine era are to remove ambiguity from business, reduce complexity, and permit a degree of predictability. Technology tends to be seen as king since it has a predictable return, for which it is relatively easy to calculate the

pay-out , and is readily available and highly efficient when compared with the era of the craftsman. But business leaders from this era also sees laborers as interchangeable with one another and easily replaceable since the skill is seen as lying primarily in the design of the product and the creation or selection of the right production process, with of course good marketing strategies.

Direction from the outside seems necessary in this era, since the workers do not have sufficient enough perspective to make decisions for the good of the whole . Supervision, those who could “envision from above”, must then provide tasks and job performance expectations as well as serve as a link between the segregated parts of the product creation and distribution process. A worker's performance must then be measured by standards that are determined by experts who are external to the manufacturing process and external to the worker actually involved in the day to day work. The workers tend to be

judged by *generic* standards, since it becomes difficult to differentiate between workers. This standardizing results in compliance becoming the highest value recognized, and progress is judged by comparing current work to the worker's past performance. Workers find their own long-term survival as well as any new opportunities for improvement in their position is dependent on adapting themselves to the demands of the technology and the generic standards.

The primary *instruments* that are used in this culture are ones that are associated with "scientific management" or the management of workers by the science of the early nineteenth century. The science of this time was reductionist, which was involved trying to understand any entity (e.g. a car) by looking at its parts and seeking to understand it by summing up its elements (e.g. tires, engine). An example of this approach is the creation of job descriptions for each independent task. Each job is developed as a

separate element, tested for competence independent of the whole, and the whole of the task becomes a result of the separate elements of work.

Since the potential of the mind and conscious thinking were separated from the rest of a person and generally disregarded as being useful in a work environment, the modification of behavior by the supervisors of the workers was the primary instrument practiced in this era and is still utilized by those businesses still operating from this culture. Programs are introduced to teach supervisors how to modify behavior based on reinforcement of appropriate approximations and by extinguishment of undesirable behaviors. This makes it necessary for supervisors, or others external to those whose behavior is being modified, to determine what is an appropriate and inappropriate behavior. Examples of this can be found in the use of time and motion studies to improve productivity. Depending primarily on the senses as a source of learning is also an

indicator such as memos, grievances proceeding, and even on the job training where the idea is take in the ideas of others without necessarily thinking for oneself. External experts, using instruments based on the senses (e.g. stop watches), determine the minimum time required to conduct a task. Further examples included training that shows supervisors how, through the giving or withholding of rewards and recognition, they can produce a change in worker behavior in accordance with what seems desirable.

The instruments of this era were hailed as the state of the art as they were being created. They do not, however have sufficiency potency or subtlety to carry the nation into the next era. New capabilities and processes were required, as we shall see. There are many companies in the U.S who are however seeking to accomplish the major task of change with the processes born in the man/machine era and are struggling to discover why they aren't up to the task.

THE HUMAN RELATIONS BASED ERA

With the advent of major universities' investigation of the science of organizational structure, and governmental intervention in treatment of workers, and with the formation of strong trade and craft unions, the concept of workers as "more than machines" began to emerge. These new concepts brought by researchers in universities invited the use of new ideas in attempts to improve productivity. Initial efforts were focused on changing conditions under which people worked. The *beliefs* that led this group of researchers to experiment with different methods, were different than those of the man/machine era. These researchers and those who adopted this era's ideas, started from the belief that people deserved more than the nature of treatment that had been given in the previous era and culture and that in fact productivity can be influenced by indirect means (versus the direct means of seeking to modulate each individual's behavior). Improvements in the

state of the work environment were seen as leading to improvements in the state of people and therefore the attitudes people held toward their work.

Another change that emerging as a part of the atmosphere surrounding industry, and one that influenced this era significantly, is the idea of third party intervention. This came initially in the form of government agency intercession and union organizing efforts, later in the form of consulting and training interventions.

The era seems appropriately labeled the Human Relations era since endeavors focused primarily on the improvement of the relations among workers, their surroundings, and their employers, some in a amicable manner; some through more forceful means. This era led, in most cases, to a higher degree of involvement of people in determining their own destiny and to feeling more a part of the destiny of the unit of which they were a part.

The *goals* of this era were focused

on the increased effectiveness of workers as they performed functions in the factory or office, and the assurance of the physical and mental well-being of workers in the performance of their duties. Those businesses still in this culture tend to have similar goals. This goal led to significant improvements in working conditions and benefits that are associated with employment. It also, in many situations, has unfortunately led to a gap in the process of direct communication and an increasing distrust between workers and their employers, and between industry and the regulators who oversee these industries.

Attempts to provide *direction* in the human relations cultures has been provided primarily by programmatic interventions, a program for each needed change. Legislation during this era was introduced for each field that seemed to require improvement. The large volume of these legislation thrusts have subsided, however it's programmatic nature has been continued by corporations who have

adopted this culture. Training or governmental programs(EEO, Affirmative Action, OSHA) were introduced to improve the work and community environment. Since a primary source of motivation was conjectured to come from "being comfortable" and from a sense of belonging, the programs were designed to have people feel part of the organization and to feel comfortable in their work place.

This was a rich era in terms of the creation of *instruments* . Most of the programs adopted were, and still are designed, to support industrial leaders who are seeking to either serve their workers human relations needs more effectively or to comply with the pressures emerging from various third parties. The designers of these programs borrowed from many disciplines and many countries. During this period the notion of teams and team building were introduced into the Western workplace. Training that sought to have managers become aware of their feelings and emotions were part of many training centers in

the United States. Quality of work life programs were initiated to improve the relationships that were becoming strained between workers and their employers, to bring job enlargement and enrichment on the one hand, with the hope of and improved business results and better productivity on the other. Profit Sharing and Gain Sharing were born as a means of hopefully building a higher degree of ownership among workers toward the businesses that employed them. The programs that emerged in this era are too numerous to mention, particularly since so much of Western Industry is only now reaching into this era. The programmatic responses of the Human Relations Era are still growing and can be expected to continue to evolve for the next five to ten years.

One program that emerged in this era that has become well recognized, deserves specific mention since it is one of the approaches that laid the foundation for the move into the next era. Socio-Technical approaches were actually first introduced in the

early 1950's in England and then were brought to the United States in the 1960's by the University of California at Los Angeles. The value of this approach is that it contributed to one of the work design technologies that could be systematically applied to improving productivity. Socio-Technical Systems acknowledged the interdependent nature of the social needs of workers and the technical demands of the manufacturing process, each having a different set of laws governing its behavior. The initial socio-technical attempts were made to redesign work so that whole tasks could once again be integrated into longer work cycles, and teams of workers could be organized to be responsible for these work cycles rather than being individuals focused on discrete tasks. In fact many of the programs mentioned in the previous paragraph drew on the thinking of the socio-technical approach. This approach is important because it introduced the General Systems techniques of Von Bertalanffy, a biologist into the business arena. This introduction of Open Systems

ideas made available to managers the concepts of open and closed systems, feedback loops and the notion that all entities are part of larger more complex systems and that all these systems are interrelated at many level of interaction, although most socio-technical designs have long since lost this connection.

Third party instruments resulted in new, separate government agencies being formed, and also separate corporate departments, that were intended to monitor the activities of businesses and their impact on workers and the environment with the intention of preventing the injustices of the previous era. During this time, labor unions were born and grew in strength. Federal and State governments established bodies for setting and monitoring policy regarding occupational health and safety, bargaining practices, equality in hiring and treatment on the job, as well as units to monitor the impact of manufacturing on the environment.

The ideas and approaches created in this era, I believe, are the ones currently

captivating most of the training and development in Western public and private organizations. The reasons are not completely clear, however it may be partly attributable to the programmatic nature that makes it possible to "try things on " without disrupting the day to day work. It may be that as a people we are slow to move. Generally we tend to immerse ourselves in something just as it has lost it relevancy. These may seem like harsh criticisms. The only question that is of true importance is whether the instruments of this era can provide what is needed today. This is the question leadership must be asking.

PERFORMANCE BASED ERA

The performance based era has been thrust upon Western industry by the global nature of the competition which is confronting the United States at an accelerating rate in recent decades. The Human Relations era has provided significant improvements not only in

the quality of life in the workplace, but also has made possible significant gains in productivity and continues to do so. However, those gains are not sufficient to maintain the pace needed to compete on a global scale. PERFORMANCE has become the rallying cry of those industries that are facing heavy off-shore competition; which, in fact is every major U.S. manufacturer, whether they are yet aware of that threat or not.

The *beliefs* of this era are a bit different depending on whether the company came to this era from the Human Relations era or skipped much of that evolution in thinking and behavior and came directly from the man/machine era. This has led to parallel but frequently overlapping or what may be experienced from the worker's perspective, as inconsistency in thinking and commitment. The initial entry into this era and its culture comes primarily from the belief, or at least hope, that people can help achieve targeted objectives that are necessary for the business

success if they are focused on these targets and the targets are clear and understandable. The inconsistency comes when the going gets tough or the results are not immediately forthcoming. This is when a conflicting belief often kicks in, the man/machine belief, that people are a cost of doing business and are interchangeable and replaceable. The belief behind both of these that justifies these vacillations, without any feeling on the part of management of inconsistency, is that managers as professionals are in the best position to determine what is needed and are then best positioned to make the decisions and choices required for the performance needs of the business. This has been reinforced by upper management through their expectations that lower managers usually be able to answer every question asked (frequently expressed as "*we can't make decisions by committee*") on the details of the day to day, and that they are to be evaluated and frequently paid based on their ability to manage these day to day performance (*numbers*) indicators. The beliefs of the

performance era have been most effective when performance has been measured over longer periods of time (*i.e.* years) and the parameters for performance are within the control of the workers. Without this way of approaching performance indicators, the prevailing outcome has been a loss of spirit on the part of workers, and reactive, erratic response on the part of managers. Neither of these outcomes has much chance of improving the performance *continuously*. We will come back in a moment to this era to discuss why it is very hazardous for those managers who aren't prepared appropriately to lead the approaches which are a part of this era.

The *goals* that are paramount to businesses striving to participate in this era, tend currently to be focused on protecting the territory that is being threatened by competitors. This, most often, looks like assessing a situation and picking the areas where they think they are most vulnerable and focusing the "troops" on these indicators.

When other valued areas seem to slip as a result of this divided attention, management attempts to refocus the organization on the indicators that have since fallen. This often times appears like attempting to perform the old circus act of spinning plates on long poles, where the trick is to move quickly enough among plates to attend to the spin of each, while even more plates are being added and to prevent any one plate from slowing to the extent that it loses its momentum and falls. It becomes apparent early in attempting to be a key player in this game that people don't focus on what is not targeted, so smart management becomes paramount to successes, to adjust the focus of the workers to the "right" indicators at the "right" time.

To keep this dynamic system on the right course, the primary means used to maintain *direction*, are objective and goal setting processes that are executed periodically (usually annually) and then audited frequently (usually quarterly). These goals are then

communicated throughout the organization and sub-unit objectives and goals are established that hopefully add up to producing the results committed to by the larger system. The goals and objectives that are emphasized are usually functional indicators that are important to the manufacturing or marketing process and ones for which accounting numbers already exist, though not always in the increments managers would like. The annual goal setting process tends to result in the selection of those indicators that reflect the current or past shortfall, mostly frequently measured relative to other parallel and internal company systems that are measured based on the same or similar indicators. The demands however may come out of a “benchmarking” effort, where a business assesses itself relative to its competitors, and then seeks to get up to par with or exceed its competitors in each area where there is a short fall.

These indicators are based on parameters that emanate from isolated, discrete centers of functional work that, though all are

necessary to the success of the whole business, are often experienced as being in competition with each other. e.g. safety and production. This has led to frequent complaints such as "do you want us to cut cost *or* improve quality?" This mind set is a holdover from the elemental/reductionist models developed in the man/machine era to measure the individually focused jobs done in systems where work was broken into smaller increments. The measures that are used are normally, although not always, determined by a group of managers rather than the workers who must accomplish the goals. The managers also assess the individuals and teams to determine success against these goals. This is consistent with the base belief that managers as professionals know what is best for the business.

The businesses that have developed some experience in this era though originally internally focused, have begun to pay increasing attention to their customers and are developing means to focus their employees on satisfying customer demands. As these changes

occur we can expect companies moving into this culture in the next decade to become increasingly sophisticated in understanding their customers . The true shifts will still only come as organizations change how and what is measured, how work is defined, and how workers are developed.

The *instruments* that are emerging and shaping this culture frequently have the term "high performance" in them. Business journals, bookstore shelves, and training offerings are filled with ideas on what a "High Performance/High Commitment" system is and how to become one. Sometimes, they are also just new packaging of Man/Machine and Human Relations culture programs. For example the great interest in socio-technical systems design to cut cost and focus on customer demands and functioning efficiencies.

There is no existing *whole* technology that is recognized as producing such a system. Approaches have been essentially *incremental* with particular

emphasis being placed on financial incentives and goal setting systems. Management by Objectives was one of the early contenders in the performance era. Most objective and goal setting programs still have a philosophy that is drawn from the MBO programs. More recently we have seen Pay for Performance Structures and Incentive Pay Systems promising to improve performance or at least productivity. The nature of these programs is to pay people for achieving particular results that are carefully spelled out. Productivity programs are being generated rapidly as businesses began to talk about performance as something important to pursue. Re-engineering has taken hold as a way to relook at everything the company does—begin with a blank slate—and see what is really value-added. Not all that are touted as such have a track record to support these claims. Compounding the difficulty for choosing a path in this culture is the tendency to tie productivity drives to the beliefs that people are a cost of doing business where by "head count" and cost reduction

programs are invoked. These processes have acquired such names as down-sizing or right-sizing, many with early retirement packages or buy outs of workers based on number of years worked. This gives workers an increasing feeling of schizophrenia and the business roller coaster results tend to follow.

Two other approaches that existed prior to the emergence of the performance era, achieved some value and utility only on a broad scale in this era; Quality programs, and Visioning as an instrument of inspiration. As a result of the discrete treatment of indicators in this era, quality programs have been treated as an additional indicator to be influenced and tracked in spite of extensive warning by the creators of these programs against treating quality as something separate. Indications of this are seen in the emphasis placed on installing Statistical Process Control techniques rather than focusing on the philosophy and practice of Quality or on improved understanding of customer needs. A variation of this approach is “process reliability” which

is attempting to produce that predictability of the manufacturing processes and ensure standards of customers are met.

Visioning has experienced a similar redefinition. It is something a group does in a retreat of off-site setting and then hopefully remembers as they return to "real" work, rather than a process used as an integral part of the work itself.

The major challenges faced by businesses operating in this era are three:

- the necessity of buying their way out of pay structures that have become outdated in terms of what people are focused on.
- the tendency of workers to seek to beat the system to achieve personal gain when the workers do not feel they are part of the business.
- the inability of managers to move a system with appropriate swiftness as indicators become outdated or irrelevant to competitive success.

THREE (OF THE FOUR) ERAS AND CONTINUOUS DEVELOPMENT

These three eras have taken American Industry a long way. Our economy has been expanding and the standard of living Americans are perceived to have achieved, has been the envy of the world. It is no secret however, that all of this success is being threatened by our lack of international presence as a supplier of competitive goods and services. The rallying cry of continuous improvement is not a hollow one, but again it is insufficient to the task. The innovation and creativity needed to ensure the pace of change is appropriate and the ability to move to each new strata of creativity is inbuilt, calls for a philosophy which might more appropriately be called Continuous Development and Continuous Regeneration. It is a philosophy that must be internalized in order to remain a viable presence in a growing international community. It is not doing more of what we are currently doing (or less of something we are currently doing wrong). It is not a

program, but a shift in the basis of mental and organizational infrastructure, in our way of doing business.

So far in this paper we have explored what has been made available to us from the previous eras. But it is also important to see what is missing that must be generated anew and then integrated into our way of doing business daily. There is nothing innately inappropriate about the first three eras. What determines the appropriateness or inappropriateness of a culture is what it helps us achieve. What we are seeking to understand here is the culture that is appropriate to fostering an ethic of continuous development and regeneration. Therefore what is missing will be explored in terms of its essentiality for realization of this aspiration.

The three eras examined earlier in this paper have several elements in common that profoundly limit the ability of business leaders to even see what is needed, much less

to determine an appropriate approach. This is not as condemning of American managers as it may at first seem, since the strength we do have is our ability to innovate expeditiously. But it does require that leaders open themselves to new approaches that have not been a part of their cultural or business education or their "on the job" training for the most part. If managers are open to these ideas, rather than trying to redefine these concepts in terms of the thinking of some former era, they can then best validate fresh thinking through their own experience and integrate it into the direction and values of their own organizations.

One limiting element that was and still is present in each of the three eras and is a significant limiting element in achieving continuous development and regeneration, is the holding of people (managers and workers) as having fixed capability. When a manager or worker is appraised it is rare that it is done with idea of producing further development. Even the popular training for managers, pegs them as

having (or fitting) a particular style. When the person in the job doesn't seem to be able to get the job done, then "we get someone who can do the job". These premises do not ordinarily include a vision of people as entities capable of unlimited potential just waiting to be developed. If we expect continuous development and regeneration, limiting ourselves to using only the existing capability in our workforce is a certain way to produce failure.

A second limiting element in the first three eras, is the premise that people are motivated from and therefore must be managed externally.

- In the man/machine era standards are developed for the workers who must adhere to them and their behavior is modified by others affirmation or criticism
- in the human relations era social context is used to influence productivity and measures are still determined by others for the workers

- and in the performance era the attention of the workers is managed by the moving of targets and rewards, to redirect the workforce energies, and all measures of performance are externally determined.

The speed of global competitive changes makes it impossible for those external to the work to reevaluate the direction needed quickly enough and, additionally, determine what is appropriate behavior for any individual worker, much less for many. This element also reinforces that it is someone else's job to decide and we are not responsible for our own behavior and the fruits of that behavior. Continuous development and regeneration is dependent on accountability in each individual for her/himself and what s/he contributes. With the element of external motivation having preeminence, the culture is held solidly in place by organizational structures, business and personnel systems and consciously and unconsciously designed processes that tell people they are not capable of managing

themselves or of ever being more than they are today.

The third element that is limiting to continuous development and regeneration is found in the tendency of American companies to compete internally; plant to plant, division to division etc.. It is so ingrained that a whole set of rationales have been developed to justify its value. The favorite seems to be that it is natural for us to compete and it doesn't matter with who as long as it is a "healthy competition". Global competition is leaving us in the dust while we prove who is the best among a group of internal systems. This element is most evident in the performance era and has been regimented by the reporting systems that are prevalent in the business culture in this Country. This is surely one of the most blinding features, since improvements can only be focused on what doesn't really matter; the sister facilities. Imagine the L. A. Rams being more interested in the outcome of their practice scrimmages within the team, than

in the outcome of their game with the Dallas Cowboys!

The fourth limiting element to achieving a culture for continuous development and regeneration is the exclusive use of an reductionist approach in our thinking, problem solving, planning, designing etc. Even in the human relations era, the programs were predominately approached by attacking pieces of the whole and by segmenting people and problems, making it impossible to relate a specific intervention to an overall result produced. In the man/machine culture the elements of work were segmented to the smallest possible tasks. In a human relations culture, the attempt to improve relations is approached by segmented, unrelated programs. In fact since this was the first attempt to work with people as a part of production and because it was done programmatically, and since most of American business is still entrenched in a human relations culture, it is difficult for the majority of managers to consider an approach

to working with people that is not programmatic and focused on a segmented element, or class, of problems in the workforce. In the performance culture, reductionist thinking is seen in the segmenting of performance indicators. They are held as distinct elements which must all be achieved but are not necessarily related in terms of the approaches or thinking required of workers or leadership. The reason the reductionistic approach is limiting to a continuous development and regeneration ethic lies in the componetizing nature of the thinking that does not allow the mind to conceive of the complexity of reality in the global marketplace. There must be thinking structures that allow every person in an organization to think with the appropriately level of complexity in order to be able to improve the right things and to unify the subject matter, at least mentally, and to integrate the approaches that are being taken. This involves using the mind in a way that is fully within every person's present capacity, but requires education and

development. This is where openness is most essential on the part of people. This new capability is what's at the heart of the fourth era of cultures, the developmental based culture.

THE DEVELOPMENTAL BASED ERA (A FOURTH ERA)

The developmental based culture is in its infancy in American Industry, although it was actually born in the early 1960's. It requires an extremely strong and tenacious form of leadership for sustained periods of time, given the strength of the other era's in our businesses, in order to provide the context or umbrella necessary for it to develop the sophistication required to sustain itself on its own. It's power is that it provides the culture that is conducive to CONTINUOUS DEVELOPMENT and REGENERATION.

The **beliefs** that are foundational to a developmental culture are that people can, and in fact are innately motivated to,

continuously evolve their capability as well as their aspiration to contribute. This is integral with the ability of people to see the value that they can add to the pursuits of their customers and other stakeholders, to being enabled with capabilities that "stretch" them and receive value commensurate with that which is offered to the systems they serve. The capabilities include business, professional, critical thinking, and interactive and personal capabilities. This class of development is necessary, since changes in the marketplace environment are continuous. People are seen as core to continuous innovation in the business domain and the "freeing up" of the workforce for productivity improvements makes possible new ventures and endeavors (versus lay offs or curtailments). The core belief that ties all these together is that continuous development is the basis of continuous evolution of the business.

The **goal** of a developmental culture is continuous evolution simultaneously in :

- the value provided to the

marketplace

- effectiveness in use of resources
- excellence in a working society

A developmental culture doesn't look like we expect it to look. The preconceived ideas we hold will prevent us from experiencing the uniqueness of this culture and what options it is actually providing business leaders. The person(s) seeking to understand such cultures must first be willing to change the patterns that they use to learn and understand and then learn to generate new patterns as a way of living. Fundamental to becoming a participant in a developmental organization is that it will never appear easy. There is no comfort here as can frequently be found in a programmatic approach to change.

The source of **direction** and means of maintaining a unified course come primarily from principles, superordinate objectives, and missions as well as frameworks for unifying

thinking processes. These are used along with the intrinsic capabilities of all organizational members who have gained a full understanding of and developed the capability to impact directly an integrated set of marketplace driven business indicators. Measures of success are all developed and implemented by tracking the rate of improvement in relative competitive position of the success of an integrated set of stakeholders—e.g. customers, investors, community, employees, and the natural environment. In looking at customers for example, the measure is against the competing factors our customers judge us against—their own relative success. (e.g. for fifteen years one manufacturing unit has, in a developmental culture, maintained its customer's ability to produce its product cost at one third of that of the next least costly producer). There are also measures on the degree of integration that can be developed between different stakeholder groups. The indicators are determined by the individuals, working collectively, who must make them happen by staying connected to,

commenting on, and augmenting the business unit strategy as it evolves.

The **instruments** of a developmental based culture are by definition continuously regenerated to evolve the capacities of the organization as it pursues stakeholders values. Work design has built in evolution as each person evolves, rather than a renewal stage which is the same for the whole organization. Evolution varies at different levels of the organization and different units because they are always relevant to the systems. The critical element is that they are integrated vertically and horizontally in their design and implementation based on an external set of indicators, therefore bringing full integration to work.

Qualities of a Developmental Approach

There is an integrated approach to evolving the organization as a whole. This means there is increasing capability through time to think strategically and to produce

viable strategic thrusts for each business system that create distinctiveness. This includes thinking globally and increasing every person's awareness of the global nature of the marketplace as well as an integrated set of stakeholders. There is an on going effort to increase the capability to provide guidance to others on the way to advance the business and the social orderliness of the business; to build increasing leadership capabilities and qualities in more and more people. There is a conscious effort to engage the mind, emotion and uniqueness essence of every worker in continuous learning and development. This is important because the reason we are losing our manufacturing to off shore producers is not the lower cost of wages, but the constant improvement of skills of employees in other countries especially hourly employees (Magaziner, 1989).

In manufacturing sites and in offices that have a developmental culture *there is an extensive development of everyone based a work development plan that is created with the*

needs of the individual, the team and the business in mind. The developmental organization dedicates 10-20% of every person's time to development and uses all activities as opportunities to learn. To do this, it changes the way it plans audits and implements everything. The development processes are grounded in general systems and evolutionary systems thinking. In practical terms this means that the individual is engaged in integrating the whole business into his thinking. S/He is seeking to find new potential across the whole business. This is not done by specific programs that ask people to work on separate approaches or by paying people for their specific achievements; although they must experience pay as fair and competitive. The culture is created by a steady introduction over an extended period of time of processes with which people engage that shift their way of viewing their work and themselves. They become increasingly capable of thinking about how they are thinking and becoming. There is a conscious redesign of structures, systems,

and processes to enable teams to engage with the whole of the business. The redesigns are created with the people who must make them work daily, through increasing capability to gain an understanding organization, technological and business parameters. There is a valuing of all persons for their contribution in the organization and the redesigning of organization roles to have them be flexible in regard to the current business environment

One of the most significant means to creating a developmental culture is the *development of the capability of individuals to understand their own behavior and to become self managing in their own behavior.* This includes the development of increased capability to take control their own thinking (e.g. over broader space, extended time, to produce better views of their ableness and potential). This core idea is essential to any continuously improving entity. If individuals have the capability to continuously develop themselves not just their skills, then the teams of which they are a part can continuously

develop; and if the teams can continuously develop, then the units of which they are a part can also do the same; and so on. A developmental culture builds and brings motives for strong independent individuals who choose to contribute to a significant, greater system and gain personal fulfillment from being a part of successful value adding ventures

Developmental organizations see *development processes as one of the critical raw materials used to transform their products.* As such, development processes are constantly enabled in the same way as are manufacturing technologies and product technologies. The developmental organization sees the capability to understand and manage change as a challenge worthy of constant attention such that professional roles are created to ensure the organization has that capability.

Developmental organizations also foster a hunger for advancing the *understanding of commercial, manufacturing, logistical and organizational technologies and*

advancement of the performance of those technologies as a means of serving their stakeholders. Professional capability is valued and enhanced for each person and in each area of the entire workforce, not just the management and ranks of degreed professions.

SO, WHAT'S YOUR POINT?

Hopefully it becomes obvious in reading through this paper and holding companies that we have experience with in mind, that much of American Industry is still captivated by the motivations and means of the first three eras, with most industries and companies still operating in the first two. Our estimates are Man/Machine, 50%; Human Relations, 30%; Performance, 15% and Developmental, 5% or less. This might even be the basis for a humorous commentary were it not for the serious imbalance of payments we continue to face, even with a much lower dollar value in the exchange markets. What we have in terms of these attempts to create continuous

development and regeneration are:

* Managers from the *man/machine culture* seeing things in physical/functional terms and attempt to:

- copying the form and not the substance
- change others and not themselves

* Managers from the Human Relations Era trying to “get out of the way” of people, and hoping that in time people will take on things. Or to “pumping” people up, involve them in suggestion programs and projects and believing through this they will be motivated.

* Managers from performance era is looking for the right rewards and recognition and cutting out the fat.

PURSuing CONTINUOUS DEVELOPMENT WITH A MISMATCHED PROCESS

One of the most striking differences that can be seen in a developmental

organization is the processes by which the organization engages in learning and developing. There must be an essential shift however, because the training and development processes of earlier eras can not succeed in creating a continuously developmental organization.

Elements of the Developmental process differences might be phrased as:

- *Socratic in form*:: the forming of and exploring of increasingly more complex and higher quality questions becomes routine. There are no trainers/consultants who provides answers but Resources who increase the organization’s capability to develop and explore questions that can lead into new arenas unexplored by anyone.

- *Equality in Discovery and Development*:: managers and workers at all levels of the organization are brought together to be challenged by and engaged with new frameworks and approaches to thinking.

Everyone becomes open, no matter their level, to developing thinking and being together. It creates an atmosphere that connotes everyone is continuously learning and developing no matter how educated or promoted they have been in the past. People may be in different places with different capabilities but they are all still developing their potential. It also helps debunk the notion that we may look ignorant if we don't know all the answers, which is tantamount to the plague if you want continuous development to flourish.

- *Reflective Processes:* people are organized in processes and group structures that encourage and enable increased self reflection versus gaining feedback from others on the team or outside the team. People become increasingly able to self correct, self direct, and self manage toward business purposes.

- *Exploratory Processes:* people are on a

recurring basis asked to move into processes and interactions that take them into unknown territory in terms of thinking arenas and interactive capability and they are simultaneously given the frameworks and capabilities to master the move into the new territory. This process works in alternating short cycles with producing action plans which become increasing overlapping rather than sequential. Moving into new unfamiliar territory while gaining new capabilities needed for that mission as well as the next—simultaneously, builds one's confidence and practical learning skills that are the "meat and potatoes" of continuous development. Few significant improvements ever comes from existing knowledge or existing capabilities.

- *Evolving the Design:* This is the hard part. There can never be a package design but there is always a well conceptualized design relevant to the systems in process of developing. The designs of today will be

literally outdated tomorrow. We become able to "design live" with a high degree of precision and complexity but always relevant to the group present and their issues of the tomorrow.

- *Developing Thinking:* Business arenas are increasingly complex and dynamic and the winners are those who can "read these" and respond with a complex understanding. The ability to develop better and more thoughts on complex issues tends to be in contrast to the models of learning provided in our schools and valued in our business arenas. We have traditionally been provided answers and then tested for understanding of those answers. A developmental process instead provides structures that improving answering, as well as questioning, and the creation of contextual thinking. The developmental processes build the capability to think isomorphic with the reality with which we are seeking to engage. (the map and the

territory are more closely matched).

BUT ISN'T THERE A SHORTCUT OR A COOKBOOK?

Managers who try to use the *man/machine era* to create continuous improvement have concocted several approaches. The most frequent has been "copy the form". This leads to structural changes that have been reported in the business journals or popular press as the answer or have touted by other companies we visit or with which we engage. Examples of this include restructuring of work to put people in teams; cutting out supervisors, doing away with time clocks or other symbols of the old culture. These approaches only create a new form but not necessarily any substantive change in how people approach work. Sometimes these approaches succeed in the short run, if others things/timing way right, and sometimes they don't. Either way there are rarely sustainable, much renewable. However this restructuring does not bring about continuous development, only at the most an

improvement at a point in time.

The second approach by man/machine short cuts has been mandating a change from traditional systems to "new systems". It may be the above restructuring approaches or other mandates. The key is that the overriding message is "This is not optional! You must get on the train, even before people know what "it" is or where the train is going. This is similar to the Gestapo lining people up to participate in a Grand Peace March.

When a *Human relations culture* is the milieu into which these ideas is born, they tend to lose touch with the Business Drivers. The form is again seen as compatible with the values of the Human Relations Era, but the processes are quite different. The highest risk is that the means becomes the end. This may look like the involvement of people becomes the consuming force and *process junkies* abound; leadership loses touch with their role and steps aside or down, to ensure "fairness" in

involvement; or the worst fate, "it" is bargained into the union contract. Continuous Development and Regeneration Cultures can not be contractually constructed, though it does require all stakeholders to participate in the creation of the path. Very few contractual agreements prevent the nature of changes that are needed and in fact the contract or union's position is more often an excuse than a barrier.

The second tendency in the Human Relations culture is to just "get out of the way" and trust that in time the workers will learn to do what it takes or use their innate wisdom and capability. It is our experience that it is difficult for people to sustain a thrust beyond the initial good ideas they already have without increased development of potential, the business boundaries that leadership can provide that gives a focus and purpose to endeavors, and increased critical thinking capability. In fact continuous development is not a process that can be evoked in people by passive arrangements. It is served best by shifting the culture from a permissive or controlling one,

to a compelling connection to the complex set of stakeholders and they become linked to the continuous evolution of uniqueness essence that is present in themselves as a way to serve those stakeholder values.

The *performance based culture* has a different set of hazards in attempting to move to a continuous development model using the performance culture. The highest risk but least understood is the move to change others. That demand to change seems necessary to performance based leadership, to “get things rolling”. It usually turns up in the guise of changing the level below us, our subordinates. The risk is that managers can't see that, the place all change must start is with *themselves*. Leadership has stewardship for the change working. It is a condemning to banalization, the developmental concepts, when we fall into thinking we are taking care of reforming or changing the inadequate ways that others have of working.

A second hazard, related to the first,

is that getting our immediate subordinates in the “right mind set” and committed to the right things will lead to a ripple down effect to all levels of the organization. Most managers have experienced by now the enthusiasm they have felt when that expect an idea or directive to be passed down through the levels of management. Too frequently there is little that makes it to the operating units and it is not conveyed with the spirit and intent that was conveyed from the top. Continuous development doesn't lend itself to this model of communication.

A mind set from the performance culture may also tend to focus on the results successful organizations produce and think that getting their organization measuring those same indicators and paying incentive increments to those indicators, is what is needed.

Without determining what mind set we are using, we will likely miss the elements that are integral to the creation of a continuous development and regeneration ethic. In fact

the touring of other companies in order to “learn” from them may in fact move a group further away from such a culture without a carefully planned attempt to be conscious of the mind set from which we engage the other operations. It is easier to copy the form, work on the ‘environment’, and focus where they did than to put in the time and energy to see the underlying base and philosophy that made it work for them and from which we design the appropriate “form” and base for our unique organization.

CONCLUSION

The man/machine, human relations, and performance cultures were developed in an earlier era as a response to changes in the marketplace context in which they existed. They each make possible thinking and results that had not been possible in previous eras. They each shifted the culture and were the resultant of shifting cultures. The concern here is not with whether they were an appropriate culture for the era in which they were born.

The emphasis here is on questioning where they can produce and nurture a CONTINUOUS DEVELOPMENT AND REGENERATION ETHIC. This is an important question, because even though they originated in years or decades past, they are still all alive and determining the destiny of corporations in North America. Without a questioning of each and every instrument, training program, and organizational approach we take, we can not be sure we have chosen a path that creates an increased competitive capability rather than an approach that not only does not move us forward, it may take us rapidly toward our past.