

# Personnel Training in the 1970's

## The Business Viewpoint

Food 70's

Increased scope for training  
and development in food firms  
to meet the constant need

Van D. Spurgeon  
Director of Training and Development  
Wetterau Foods Institute

"The greatest management task of the century is to make knowledge work productive." - Peter Drucker

It is definitely challenging and interesting to examine, from the business point of view, Training and Development as it will be in the 70's. Perhaps it would be helpful to identify the background out of which this paper comes.

One-hundred years ago, Wetterau Foods started selling groceries on the banks of the Mississippi. Since that time, we have expanded and are now serving over 500 IGA Supermarkets in the Midwest and New England and over 100 Red and White Supermarkets in the Southeast. We are a diversified company and our diversification is in the building industry, non-foods, general merchandising centers, printing, manufacture of frozen foods and finance. Our sales last year was over \$300 million.

My comments will reflect not only the management philosophy of Wetterau, but also my conversations with friends in the food industry.

This report is the result of a team effort. Others on the Training and Development staff presented ideas which have been incorporated in this paper.

Peter Drucker in his book, "The Age of Discontinuity" makes the following statement.

"The systematic acquisition of knowledge has replaced experience, - acquired traditionally through apprenticeship, - as the fundamental for Productive Capacity and Performance."

"The greatest of discontinuities around us is the changed position of Power and Knowledge."

In Drucker's opinion, "the greatest management task of the century is to make Knowledge Work Productive."

As one views the rapidly expanding field of training and development, in some companies known as Research and Development, there seems to be several clear trends emerging today. These trends are:

1. An increasing influence of T & D within organizations.
2. A higher quality of T & D contributions.
3. The nature of the T & D function has changed.
4. The programming of T & D is different today.
5. The design of T & D is new.
6. More capital is being invested in T & D.

This is true for industry, government, labor, professional associations, and for business. It is specifically true for the food industry. It is evident that for the most part the food industry has been, and is, lagging behind other industries in using the resources of Training and Development. This situation is changing.

With the increasing scope of the T & D function for the food industry in the 1970's, it becomes difficult to talk about the emerging trends of T & D without discussing the organizations in which T & D will function. I am sure you are aware of many changes that are occurring.

1. What are the forces today provoking changes in our organization?
2. What are the future conditions to which our organizations must respond?
3. How is T & D going to help the organization respond to these changes?
4. What kind of people will be needed to direct the T & D dimension of a business?

Let's spend a few minutes answering the first question. What are the forces provoking changes in today's business organizations?

Our time in history has been characterized by rapid and unexpected change. The food industry is on the threshold of rapid evolutionary process. The mass of knowledge and population has created a reactionary chain of events.

The whole pulse of our society beats faster. The complexities with which we must deal becomes more complex.

I agree in projecting the 70's, that firms are getting bigger. The growth rate of the larger companies is startling. Exploration of new markets and mergers continue to an influencing factor on the business scene. Diversification of Business is the key factor.

With vast, complex and fast changing business will come the need for people who can respond to the organizational demands. The activities involved

in these complex situations will require persons of diverse, highly specialized competence.

The rapid change, the hurried growth and increased competency of people will create logistical and philosophical conditions with which we must deal. Organizations, values, procedures, and management styles must change.

The behavioral scientists such as Maslow, Herzberg, and McGregor, are discovering important views of men which must affect the organizational life. Some of these views are that man does not react solely to economic gain. His needs range from physical to self-fulfillment and these needs are always changing.

Also the objectives of individuals may not be those of the business for which they work. Man's interpersonal relationships affect organizational effectiveness. Thus, they cannot be ignored nor repressed.

Communication between people is dependent upon the degree to which there is interpersonal trust within the organization.

These and many other factors have resulted in the emergence of new concepts for an organizational style of business life. There have been fundamental changes in today's business world.

The new philosophies underlying managerial behavior or the desire for a type of managerial behavior is:

1. A new concept of man, based on an increased knowledge of his complex and shifting needs, which replaces an oversimplified, push button idea of man.
2. A new concept of power, based upon collaboration and reason which replaces a model of power based upon coercion and threats.
3. A new concept of organizational values, based upon humanistic - democratic ideals, which replaces the depersonalized mechanistic value system of conventional organizations.

The real push for these changes in thinking about style and philosophy of management stems from some powerful needs. For a business to survive in today's climate, not only do we need to humanize the organization, but the organization must be the vessel and the vehicle of personal growth and development for its self-realization. The traditional business organization with its rigid philosophy of management and operations cannot provide the growth. So we will see many changes in companies organizational pattern.

There are other environmental characteristics to which companies must react. By 1980, two-thirds of our population living in metropolitan areas will have attended college. Yet at the same time the rate of professional obsolescence will

be rapidly increased.

We'll need to retrain many for second careers. Knowledge workers will change attitude and learn its not disgrace to start a new career at 45.

It will become routine for the engineer, physician, or executive to search and find extensive additional education every 3 - 5 years. It will not be uncommon for business to give executive sabbaticals on a regular basis. Every major university today offers advanced management courses for successful businessmen.

All this additional education is not just "nice", it will be necessary. It will be necessary to take the time to keep the entire work force abreast of the current business environmental situation.

Today the computer continues to do the routine work, permitting the full utilization of people's abilities. People will find it necessary to understand and use computer data. Teams will total data and make decisions. Today the survival of a firm depends on the effective exploitation of Brain Power.

Along with demands for better education of people will come increased job mobility. Twenty percent of our population changes address at least once each year. Today a business places new value on a man who has worked for several companies, been exposed to a variety of jobs and experiences.

The changing population will have changing work values. People will be more intellectually committed to their professional careers than to their companies. The "Professional" with his higher degree of expertise will require more involvement, participation and autonomy in business.

The business environmental climate of the future will be more technical and unprogrammed. Organizations will be a collaboration of specialists in a project or team form of organization. We see this today in other large organizations. I believe it will be a growing management climate for the food industry.

The methods through which business will achieve its goals will be increasingly complicated. Business will increasingly concern itself with innovative-creative capacity. There are examples of these trends today.

The overall goals of the organization must be articulated. A thin thread will hold the several diverse parts into a whole.

We can also expect in the forthcoming organizational climate a greater degree of conflict and contradiction. Companies and people within it must be able to deal with this turbulent climate.

What will the structure of the organization be like to respond to these growing complications and constant change?

First, "temporary" will be a key characteristic of work groups. Adaptive, rapidly changing and temporary systems will be revealed through task forces brought together to solve a particular problem. The task forces will be comprised of relative strangers who bring their expertise to bear in the resolution of the problem. Once the problem is solved the group will dissipate.

Organizational charts will consist of project groups rather than functional groups. Gone will be the rigid programmed functions which characterize our organizations today. Replacing them will be the adaptive, problem solving temporary systems of diverse specialists linked together by coordinating and task evaluating specialists in an organic flux -- the organic adaptive structure.

Second, this constantly changing structure will give rise to democracy characterized by the following traits:

1. Full and free communication regardless of rank and power.
2. Reliance on consensus rather than coercion in manage conflict.
3. The degree of influence a person has will be based on his technical competence and professional skill.
4. The organizational climate will encourage emotional expression to rip away the blocks, to fruitful communications and progress. Conflict will be brought into the open and dealt with on a rational basis.
5. The "executive" will become a coordinator of various task forces. Who are answering the "What if questions"? As a generalist, he will speak the language of diverse groups and possess the necessary skills to relate information and mediate between groups.

This trend toward the organic-adaptive structure committed to democratic management methods, is occurring today in many industries as well as many professional societies and consulting firms.

These are some of the factors that make up those conditions to which we must respond increasingly in the future. Perhaps at first blush these conditions may frighten us. Yet with further reflection we can see new promise for our organizations and people.

First, we examined those forces today which are precipitating the need for change in our approach to management. We said that rapid and unexpected change is a trademark of Western society. And that corporations are becoming larger and more complex in their activities requiring people of diverse and highly specialized background. And, the behavioral sciences have offered us new concepts which are bearing fruition through a change in philosophy underlying managerial behavior.

Secondly, we looked at the future to examine those conditions to which the organization of tomorrow must be responsive. We can see the environment fostering a partnership between business and government and a development of interdependence rather than competition. We can see our population reaching new educational heights and brain power becoming utilized on a scale never before experienced. We can see a change in work values where people are going to be more committed to the professionalism of a field of work rather than an individual company. The goals of the enterprise will be sharply defined and communicated to permit all related and subordinate goals to be tested for consistency. The organization will be characterized by temporary relationships of constantly changing work groups brought together for a particular problem to be solved. Democracy in organizations will result as the only method of management (yet perceived) to respond to these changes. Freedom, communication, consensus, technical competence and rational resolution to conflict will become meaningful concepts. And since most of these aspects of the changing organization are related to enhancing satisfactions intrinsic to a task, motivation will be intensified.

There are two remaining questions for our consideration. "How is T & D going to help the organization respond to these changes in the 70's?" The other question is "What kind of people will be needed to direct the T & D function?"

To begin to answer these questions, I would refer to Gordon Lippitt who describes the functions or roles of the training personnel in modern organizations as 1) The Learning Specialist; 2) Administration of Training; and 3) Contribution to Organizational Problem Solving.

This diagram may help us to see the role of T & D for the food industry in the future. Each of the three areas will require different skills and abilities. This trend of responsibilities will require professional preparation.

Let's briefly look at one of the roles that of Training Specialist. The behavioral scientists in the last two decades have made major contributions in the area of learning theory, methods and skills. One of the challenges for T & D will be to increase the sophistication required in making use of the rapidly growing knowledge of about how people learn and change.

It will be helpful to see the changes in T & D by comparing traditional training and organizational development.

1. Unit of focus in traditional training in the individual but in organizational development it is groups, teams as work groups.
2. Content of training in traditional is technical and administrative skills while organizational development is interpersonal and group membership competence.
3. Target subjects of training in traditional training is primarily first line employees, supervisors, and managers.

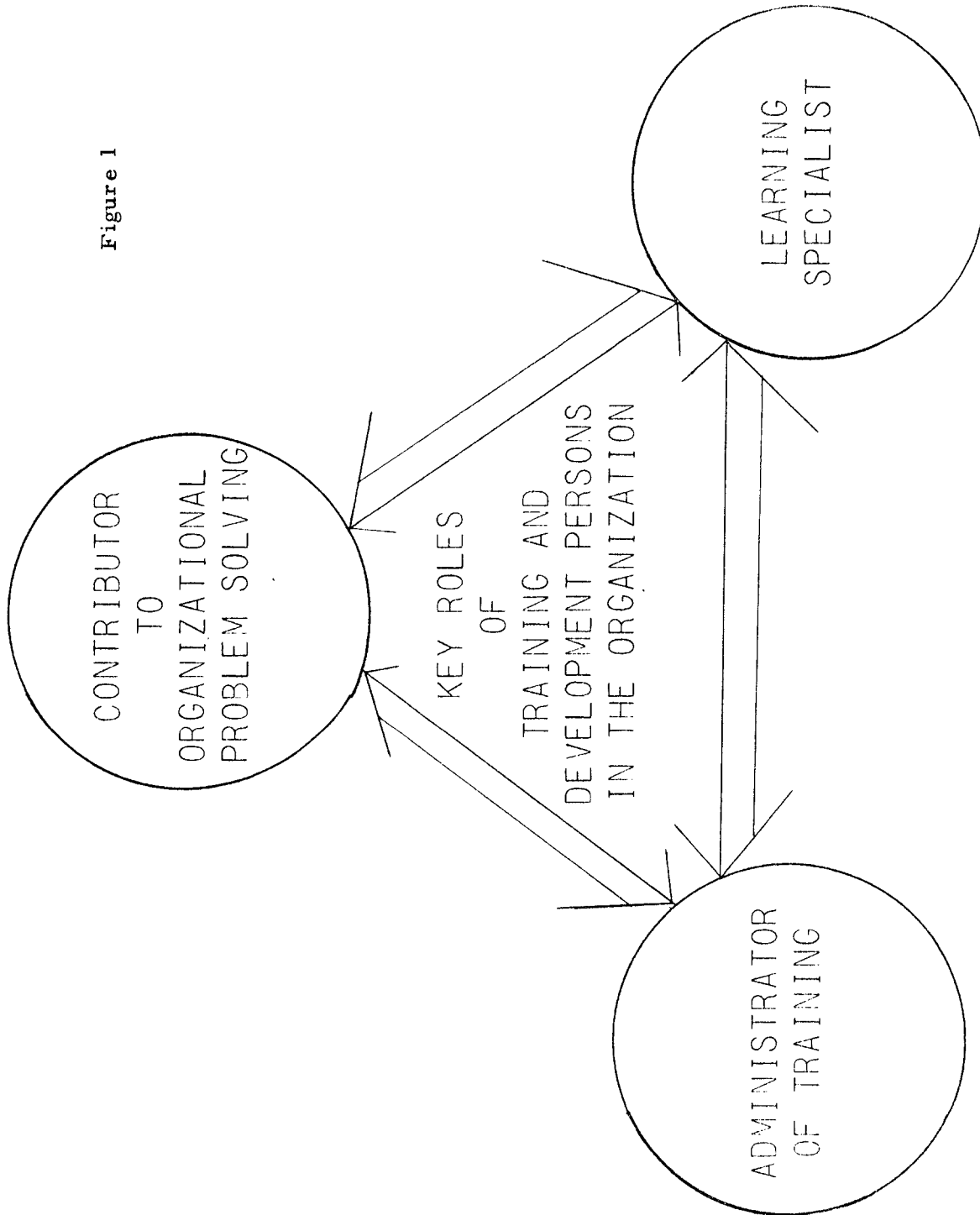


Figure 1

Figure 2

A COMPARISON OF TRADITIONAL TRAINING AND ORGANIZATION DEVELOPMENT  
ON SOME IMPORTANT DIMENSIONS

DIMENSION	TRADITIONAL TRAINING	ORGANIZATION DEVELOPMENT
UNIT	INDIVIDUAL	GROUPS
CONTENT	TECHNICAL	INTERPERSONAL
SUBJECTS	FIRST LINE	ALL LEVELS
LEARNING PROCESS	COGNITIVE & RATIONAL	COGNITIVE, RATIONAL, & EMOTIONAL-MOTIVATIONAL
TEACHING STYLE	SUBJECT MATTER AND TEACHER CENTERED	PARTICIPANT CENTERED
LEARNING GOALS	RATIONALITY & EFFICIENCY	AWARENESS & ADAPTATION
VIEW OF ORGANIZATION	DISCRETE FUNCTIONAL SKILL	SOCIAL SYSTEM



While organizational development concerns itself with all levels including top management.

4. Learning process in traditional training has been cognitive and rational but organizational development goes a step further to emotional and motivational.
5. The teaching style traditionally has been subject matter and teacher centered while organizational development is oriented toward the participants.
6. Learning goals of traditional training has been rationality and efficiency. While O. D. emphasizes awareness and ability to adapt to situations.
7. The view of the organization has been the performance of functional skills however O. D. sees the organization as a social system.

My point of emphasis is that today's T & D must be beyond traditional training. Some of the traditional must be continued. T & D must take on a new dimension if it would truly serve business and specifically the food industry.

Another role or function of T & D will be that of administration of the training function. We will see expanded staffs of T & D personnel. Great care must be exercised to recruit, train and develop the T & D team.

The administrative function will require time to evaluate and interpret the results of T & D. Increased budgets will require careful accountability. Management has the right to expect results.

Management will expect results from the training function of business. Management will expect, and rightfully, so, a return on their investment. They will expect to have a company of personnel who can work effectively in a team relationship. A team of highly professional people. Teams of technically sophisticated people who can work together, teams who can use computers. Teams of people who can work effectively in solving problems.

This raises the third role of T & D on this triad, the consultant to management. This will become the most important role in the future years. T & D will be used as a valuable tool for management problem solving.

Effective training is helping people "learn how to learn" from every aspect of life. Most problems faced by organizations can be and will be solved by effective application of problem solving, which is itself a learning process.

The new challenge then for T & D is to be the kind of resourceful people who have developed their skills and accept the role of internal organizational consultants, on problem solving, change, and organizational development.

Let me clarify the consultant role of T & D by use of this chart.

First - Gives expert advice to management. T & D through search and research should be a source of immediate information for a company. This expertise would include not only kinds of training that could be used to solve a problem situation but also technical information about our industry. It will be necessary that management spend time and money in research. Costly mistakes in the future will be too costly.

Second - Another role will be to persuade management to use the best method of problem solving or procedures of operations. The very best use of persuasive skills based upon intelligent information and awareness of situation will be required to function effectively in this role.

Third - T & D will be expected to provide alternatives to management. T & D may not be expected to implement the solution but to recognize the values of a variety of alternatives.

Fourth - Role of T & D in the consulting approach will be to assist in the problem solving process. T & D may be a process observer and even to head the process on occasion. A greater dimension will be to help management maintain the quality of its problem solving, through his skill as a specialist in the T & D dimension of business.

Fifth - T & D may serve as a catalytic agent for management. Aware of the company's situation T & D must, with integrity, ask the necessary questions to cause a company consider the direction it is going or actions it may be taking.

Some roles will involve direct consultation, others will be an indirective approach.

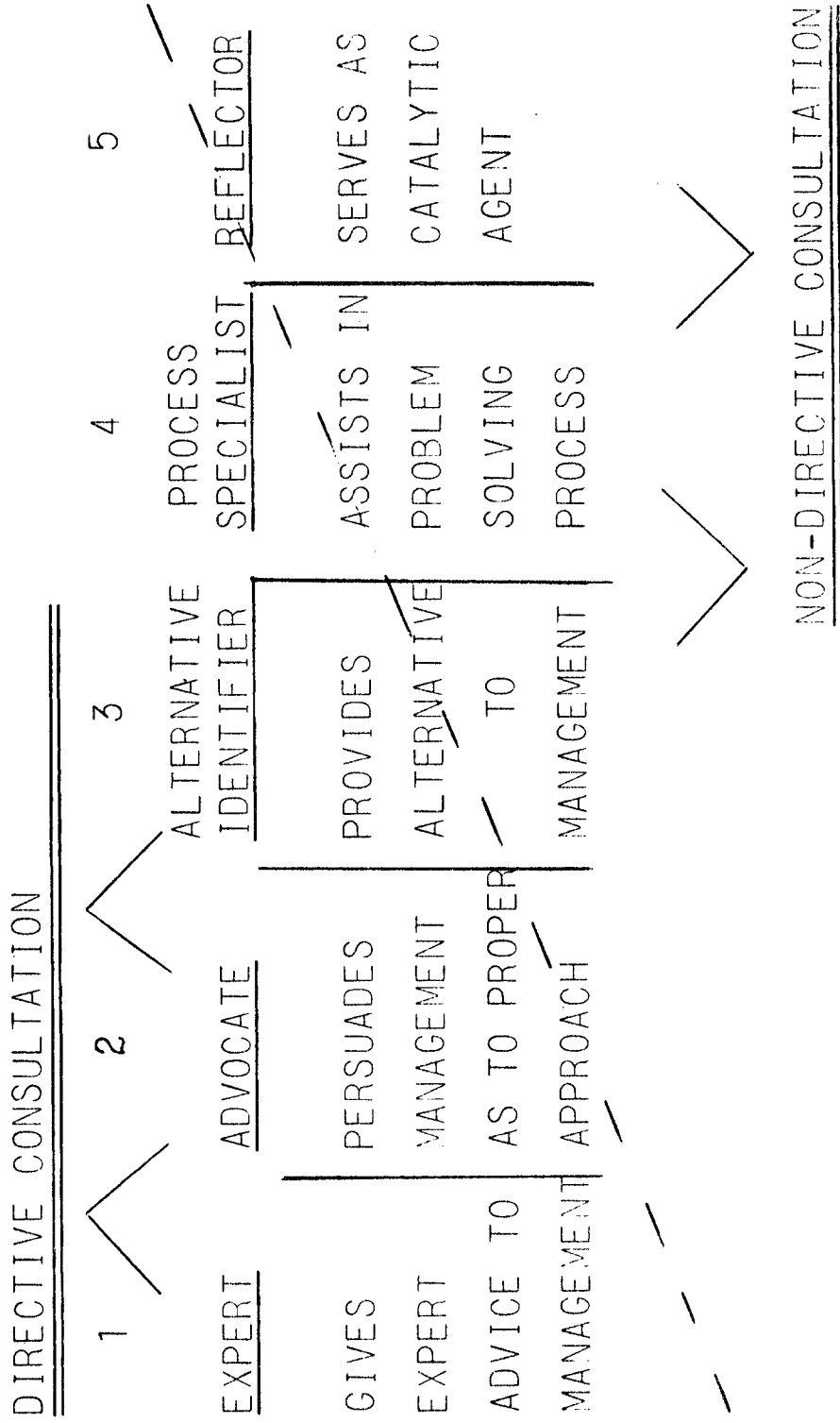
T & D has not always been creative, innovative, or professional in any of the three roles we have outlined. T & D can no longer afford to live at the first grade level of company life and survive.

Companies in the 1970's will need more help than teaching basic skills or teaching how to be a good manager. The food business with its changing climate will need management who are creative, innovative, problem solvers and who can function effectively in interpersonal relationships.

I see a big challenge for T & D people, indeed many of us will fall by the side, unless we upgrade - become professionals in a true sense. We must see our roles in a new light.

We are on the threshold of an emerging area of the food business that few if any can comprehend. What will be required of us all will be beyond our biggest dream.

Figure 3



In this room sit many people that will enable T & D to meet these challenges. The food business is the most exciting place to be today in the business world. Its happening to us. The demands will be great.

Peter Drucker in his book "The Age of Discontinuity" summarizes the task before us.

"These fundamental tasks - the systems approach to technological change, a new theory of economic dynamics, a revised concept of organizational effectiveness and the testing of knowledge by its application - are the matters to which we must address ourselves to deserve tomorrow."

The time to begin is now - Not in the years 1980 or 2000.

That's the way I see the organizational climate and Training and Development in the 1970's.