CHAPTER 6

Management in the Next Thirty Years: Notes about Performance and Governance

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As astrologers for the next thirty years, it helps to know sunspots from blind spots. We do live in a world of changing expectations that will push organizations and their managers in new directions. Some of our greatest problems, though, stem from disappointed expectations, from hopes about managerial intentions and promises that have not been fulfilled. Tomorrow’s agenda is
not all new. Much, though, is reconsideration of items that should have been handled better yesterday.

Consider the concept of change itself and the conclusion that we are living in especially turbulent times — in what Peter Drucker has called “the age of discontinuity.” Many of the biggest changes with which we are trying to contend are changes for which strongly managed, activist organizations in society are largely responsible. Innovations in communication and transportation have helped create the circumstances that bind us in a combination of partnership and confrontation with the Third World. Successful stimulation of large appetites for consumption has aggravated environmental and resource problems, which now raise concerns for clean air and water and alternative supplies of energy. Affluence at levels for masses of citizens never before seen in human history has something to do with complaints that young Europeans and Americans do not share the stern work ethic of their parents. Vigorous work in the design and marketing of weaponry has given troubling new dimensions both to big-power politics and to local terrorism. Much of the so-called turbulence should be no more of a surprise to a thoughtful manager than backwash from a jet engine is to a skilled engineer.

Our fascination with change and turbulence also reflects the size of organizations that most of us represent and serve. Success, ambitions for growth and immortality, and supportive developments in the art and technology of management have made it possible for bigger organizational forms to emerge and thrive. Today’s corporations and public enterprises are far beyond the scale imagined by Adam Smith or socialists a century or two ago. They are huge in the resources they command, in the complexity and diversity of tasks they undertake, and in the geographic dispersal of their operations. The best, like some of the major multinational corporations, are impressively focused and integrated worldwide systems.

Yet large organizations, like supertankers, cannot turn on a dime. Strategic planning for them has become a process not only of forecasting the environment and adapting to it, but of shaping the environment so that it will sustain their internal momentum. Smaller entities and individual citizens sometimes feel that the rules of the road have been rewritten — as they have indeed for small-boat sailors in the path of supertankers, so that they, not the large organization, are supposed to yield rights of way.

Our main challenge today, then, may not be to debate new