



MORE MAGPIE THAN EAGLE:

## EUROPE'S NEW WORKPLACE

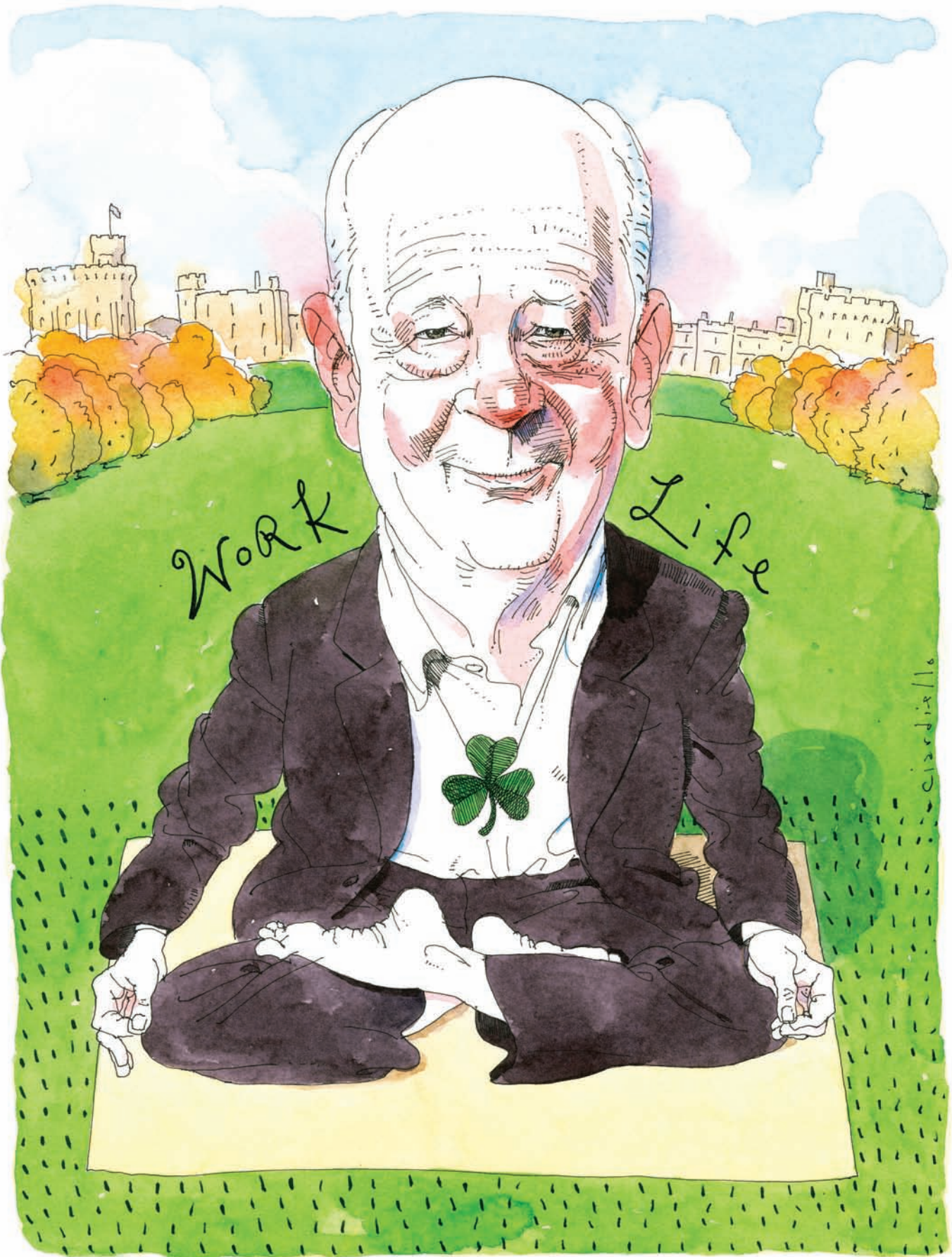
# gurus

BY ADRIAN WOOLDRIDGE

Europe has hardly distinguished itself in the production of management gurus. America has a vast army of showmen ready to fly anywhere in the world. Asia has the venerable Kenichi Ohmae and any number of younger Indians and Chinese. But Europe has produced remarkably few world-class thinkers, certainly fewer than its economic weight and intellectual distinction would justify.

One of the few Europeans who has undoubtedly made it into the first division of gurus is Charles Handy. Handy has made an entire subject his own – the fundamental changes in the nature of work over the past few decades. In the late 1970s he noticed that work was being re-invented as seldom before as companies slimmed down in order to deal with global competition and trade unions lost their power. Managerial capitalism was being replaced by something different – more entrepreneurial and more unpredictable – and workers were having to adjust themselves in consequence. Handy looked at these changes from the point of view of the worker: the company men who had spent the past few decades getting on the 7.10 for Waterloo every day and were now being ‘downsized’ and ‘outpaced’. And he wrote about his chosen subject with unique panache – mixing vivid images with literate writing and broad themes with an acute eye for detail.

A flavour of Handy's writing can be discerned from two of his best images – the ‘shamrock organisation’ and the ‘portfolio life’. He argues that today's organisations resemble nothing so much as ‘shamrocks’ – with the three leaves representing core employees, subcontractors

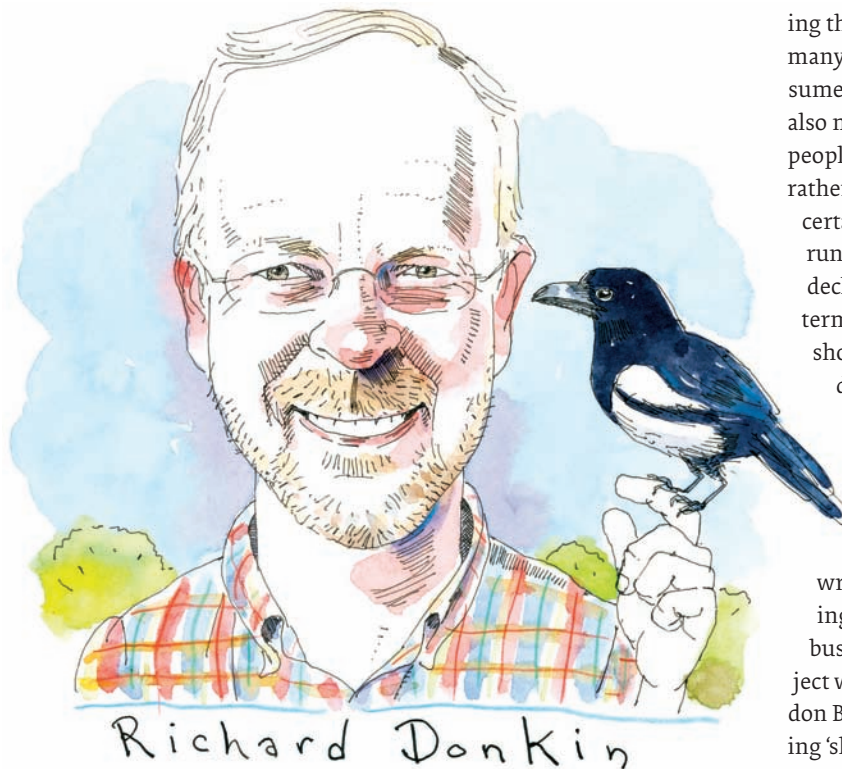


Work

Life

Clarissa 16

and temporary workers. He also argues that today's workers are destined to live 'portfolio lives'. As biological life expectancies increase while organisational life expectancies contract, workers are destined to live more than one professional life. They may well shift from one vocation to another; they will certainly spend some time as 'contract workers' as well as 'core employees'.



You might have thought that Handy would have produced plenty of imitators across Europe, given the success of his writings and the attractions of management guru-dom as a career. Handy eschewed the pseudo-scientific jargon that prejudices educated Europeans against management theory. He proved that you can write about business with references to Aeschylus and Aristotle rather than just Balanced Scorecards and Economic Value Added. Handy played a leading role in establishing business studies in the United Kingdom — he was one of the founders of the London Business School and he later became a sort of live-in management guru at Windsor Castle, explaining management to the British establishment.

Handy has chosen a subject at the very heart of European civilisation — the evolution of work and the balance between 'work' and 'life'. Europeans are less enslaved by the Puritan work ethic than Americans. They are also less convinced that economic

growth is the ultimate measure of the good life. They have awarded themselves generous holidays (try getting anything done in France in August) and generous protections against profit-maximising companies.

Europe's approach to the labour market, which Americans have long regarded as a prime example of the enfeeblement of the Old World, has also stood up to the recession remarkably well. Output fell far harder in Germany than in the United States during the worst months of the economic crisis. But Germany's unemployment rate barely rose, and consumer spending remained relatively robust. Europe also made imaginative use of job subsidies, paying people to stay in jobs, albeit with lighter workloads, rather than throwing them onto the dole. There are certainly risks involved in this strategy: in the long run it makes it difficult to transfer workers from declining industries to rising ones. But in the short term it seems to have helped Europe to weather the shock of recession better than America: consumer demand is holding up better and workers are keeping their skills sharp rather than idling on the unemployment lines.

This is, in short, an area in which Europeans have a distinct comparative advantage. Yet the number of European business writers who have devoted themselves to ploughing Handy's furrow is remarkably small. European business schools have failed to embrace the subject with the enthusiasm that it deserves. The London Business School devotes no more time to studying 'shamrock organisations' or 'portfolio lives' than the Sloan School of Management, for example. Some of the best European writers on work have nothing to do with management theory. I challenge any manager to produce a useful insight from Keith Thomas' 'Oxford Book of Work' or from Alain de Botton's recent book on 'The Pleasures and Sorrows of Work', erudite and entertaining though both books are. Handy has blazed a trail only to find that his fellow European management thinkers have decided en masse to walk in the opposite direction.

Happily, Handy is not entirely alone. A few writers are following on his trail. None of them can be described as 'the new Charles Handy'. They lack his literary flair and his eye for the big picture. But they all recognise the importance of the subject that he made his own — and they all realise that work is likely to be redesigned even more dramatically in the next 30 years than it has been in the last.

Richard Donkin chronicled changes in the nature of work and employment in a weekly column

for *The Financial Times* for 14 years. He has also published two informative books on the subject — ‘The Future of Work’ (2010) and ‘Blood Sweat and Tears: The Evolution of Work’ (2002), which is being republished under the blander title ‘The History of Work’. He is more of a magpie than an eagle: you read him for nuggets of information rather than for panoramic views and grand theories. But his nest is nevertheless full of fascinating objects, and his views are invariably sensible.

Donkin brings an historical perspective on recent ‘revolutions’ in the workplace. He points out that many cutting-edge management ideas, like concern for workers’ health, are in fact old hat. In the 1920s and 1930s many successful companies built playing fields and social clubs in the name of efficiency and loyalty (and before that, of course, British public school masters based their regimes on the motto ‘mens sana in corpore sano’).

Donkin is also relentlessly sensible — perhaps not the most exciting of qualities but nevertheless an invaluable one in an area dominated by faddists and snake-oil salesmen. He points out (just as Charles Handy did a generation ago) that the life of a ‘portfolio worker’ is far from easy. Freelancers relish their freedom. They are delirious about the fact that they no longer have to get on that 7.10 to Waterloo every day. Donkin expects their numbers to increase as people revolt against the relentless demands of today’s corporations and the soulless language of ‘scientific management’. But they are constantly worried about where the next paycheck will come from. Work tends to take the form of pre-industrial agriculture — too much work interspersed with too little and feasts interspersed with famines. They also find that freedom can turn into anomie and self-direction into loneliness. They miss the casual bonhomie of office life and the discipline imposed by a daily routine.

Above all, Donkin understands our ambivalent attitude to work — how we regard it simultaneously as a blessing and a curse, indeed the foremost of all curses, imposed upon Adam for his disobedience in eating the apple. We resent the fact that we constantly have to check our BlackBerries for messages even as we try to relax in the evenings. But if the BlackBerry fails to deliver its messages then we suffer from a sense of ennui. He quotes Philip Larkin’s great poem ‘Toads’ about the ‘sickening poison’ of office life. But he also reminds us that Larkin wrote a later poem, ‘Toads Revisited’, in which he acknowledges that he rather likes his ‘in-tray’ and his ‘loaf-haired secretary’.

‘Give me your arm, old toad; help me down Cemetery Road’.

Avivah Wittenberg-Cox writes about a subject that Handy tended to gloss over — the growing role of women in the labour market. Wittenberg-Cox argues that the world of work is being reshaped by three massive forces — women, weather and the Web. Fifty years ago, women had only a marginal role in the labour market. They performed menial jobs — Larkin’s ‘loaf-haired secretary’, for example — and left work as soon as they married. Today they make up about 50% of the work force in America and most northern European countries, take 80% of consumer



purchasing decisions, and run some of the world’s best companies, including PepsiCo and W. R. Grace. Organisations as diverse as Goldman Sachs and the Organisation for Economic Cooperation and Development (OECD) have declared that the arrival of ever more women in the labour force is helping to power economic growth. ‘Womenomics’ is one of the trendiest terms in business writing.

Yet most societies are having a difficult job adjusting to a more female-friendly labour market. Women are still confronted with a soul-destroying choice between motherhood and their careers. This means that all too many highly successful women

drop out of the full-time work force in their 30s — they are ‘off ramped’ onto the ‘mommy track’, as the jargon has it. It also means that the upper ranks of corporations and professional service firms are still dominated by men. The further up the corporate world you go, the more female-free it becomes.

Wittenberg-Cox points out that some European countries have produced innovative solutions to this problem. Norway threatened companies with legal sanctions if they failed to increase the number of women on boards. France has been notably successful in keeping its most successful women in work. But in general, Europe has been behind America in terms of promoting highly successful women. Two of the most prominent female bosses in Europe, Pearson’s Marjorie Scardino and Anglo American’s Cynthia B. Carroll, are Americans. Only 9% of Europe’s board directors are women, compared with 17% in America.

Wittenberg-Cox argues cogently that women will continue to make dramatic advances in coming decades. The intensification of the war for talent, as populations age, jobs become more skill intensive and the backlash against immigration grows, means that companies have an ever greater incentive to make better use of their female employees. The growing complexity of careers in general, as working lives become longer and Generation X-ers of both sexes reject the treadmill for a diet of ‘work bingeing’ followed by long holidays, means that women will pay a lower price for taking several years out of their jobs to have children. Some of the world’s most innovative companies, from giants like IBM and Sun Microsystems to start-ups like the management consultancy Eden McCallum, are already creating more female-friendly environments, where women can craft careers that are compatible with their (changing) domestic commitments.

But she is less convincing when she argues that women are better suited than men to deal with the next generation of management problems, and that tomorrow’s successful companies will have to become ‘gender bilingual’ if they are to succeed. This argument rests on two big assumptions — that women are genetically different from men (more collaborative and more empathetic) and that those psychological differences will be a source of

competitive advantage in the new economy. But both assumptions are questionable. There are lots of different types of women just as there are lots of different types of men: Lady Thatcher could hardly be accused of being a touchy-feely type. And there is no solid evidence that companies are any more dependent on collaboration and empathy than they ever were. Companies have always depended on collaboration to succeed (the term ‘company’ comes from two Latin words ‘cum’ and ‘pane’ meaning breaking bread together). And companies that give the appearance of being soft and fuzzy such as Google are in fact ruthlessly competitive when it comes to choosing talent and dealing with their rivals.

Donkin and Wittenberg-Cox are both perfect exemplars of Charles Handy’s ‘portfolio workers’. Donkin turned himself into a freelancer in 2002 when *The Financial Times* decided that it no longer needed him. Like most freelancers, he depends on getting work whenever and wherever he can — writing a monthly column for *Human Resources* magazine, doing as much consulting and lecturing as possible, and also writing about travel, fishing and sailing. Wittenberg-Cox operates at the intersection of consultancy and political activism. She is CEO of 20-first, a gender consultancy that specialises in teaching companies how to become ‘bilingual organisations’ that can make full use of what she regards as women’s distinctive talents; she is also a ubiquitous writer and lecturer.

These portfolio workers could hardly have chosen a better subject. The world of work is being redefined by a maelstrom of forces — the ageing of the population, the war for talent, the pressure on companies to remain slim, the growing diversity of the population. The redefinition of the world of work will have all sorts of consequences for everything from pension arrangements to education and training. Yet for the most part, the European management-theory industry has been remarkably reluctant to build on its comparative advantage in this area. European business schools are still too preoccupied by turning their subject into a hard science to bother with soft subjects such as work. And European business gurus are still obsessed with competing with their American rivals to produce the next big idea about strategy or core competences. This is a pity: in management, as in so many other areas of life, supposedly soft subjects can often be the most challenging and the most rewarding.

Adrian Wooldridge is co-author of several books and is the management editor for *The Economist*. He is based in London.

#### WOMEN EARN LESS EVEN AT THE TOP

Female CEOs in the U.S. earned just 58% of what their male counterparts did in 2008, and their compensation packages were slashed three times as much as the pay packages of their male peers (a median of 18.5%).

Source: Corporate Library, 2009

