It should be obvious to anyone that we live in a very rapidly changing world. Indeed, we live in a world of ever accelerating change. There are abundant indications of the rapidity of change to all of us. A manager must be running very rapidly today in order to remain at a standstill, from the standpoint of the changing technology and changing value systems within which he must operate.

There are three aspects of change, in particular, to which this speech is addressed. They are (1) constantly increasing affluence, (2) social value changes, and (3) different people. The influences of each of these on management will be discussed in turn.

**Constantly Increasing Affluence**

One of the aspects of constantly increasing affluence, which creates a challenge for the manager, is that it has led to a decreasing predictability. The customer, for example, is not only in a position because of our affluent society to exercise demands at a higher level of need, but also, as affluence becomes more assured in his mind, he becomes more adventuresome in his purchasing. Coupled with the factor of affluence, to make less predictable customer demands upon us as managers, is the fractionation of markets. Truly at no time in our previous history has there been an opportunity for the individual to exercise his own individual desires. Evidence of this would be in the very, very wide choice of automobiles and in virtually every other facet of our lives.

Affluence has also affected the predictability of employees. It is much less certain that we can rely upon the employee for a constant level of attendance or for being at his work station on time and leaving at the agreed-upon time. The reactions of employees are less predictable when their economic needs are readily satisfied, if not by their present employer, by the wide numbers of employers that they see in the market place for labor. Today is a far cry from the day in which the employer could threaten the employee with "shape up or ship out". Indeed, utilizing this threat with a relatively young employee will probably only lead to that young employee's
obtaining a better position within a remarkably short period of time. The
day of highly autocratic management, in which the manager could compel
the employee to do that which he wished him to do, is virtually at an end.

Affluence has brought about more buying power for intangibles.
There has been a shift from purchase of tangible products to the purchase
of less tangible services and, indeed, into very intangible things such as
information. The shift of buying power to intangibles may mean a shift in
transporting habits. It suggests that there will be more time available
for leisure activities; but, in what way will the individual use the leisure
activities? It is very possible that we will have a complete altering of
transporting habits, in which the auto will become as dead as the railroad
train for movement over long distances and will be confined to relatively
short distances. It is even possible that Parkinson's last law, that an
organization reaches the highest pinnacle of obvious affluence at the end of
its era, may be true of the interstate system. We may well put in place
the last mile of interstate only to find that the interstate system, as such,
is obsolete.

The interest in intangibles, such as information and services, may
lead to a much higher utilization of recreational areas, both within and
without a state. But the particular significance of this could be in developing
highway networks to service the recreational areas of a state. It may mean,
also, that funds will be syphoned from the highway aspects of a state
operation into the parks or recreational areas of the state's budget.

Continuation for some 30 years of sustained prosperity has un­
doubtedly created a whole generation of people who are without any real
economic insecurity. Older people within our society may have shifted
some of their insecurity from that related to economics to that related
to property and possession insecurity. This could be one explanation of the
rise in the interest in safety, because when one is richer one has more to
lose and, thus, is more interested in retaining it.

The continuing and rising affluence raises a very serious question
for those people within our society who are over 40 years of age. These
people have been programmed to be economically insecure because they
lived during the last great depression or were at a young enough age to be
very seriously affected by it. Many of these people are really expecting
another depression and, indeed, some of them are planning for one. The
plus-40 group usually is also prone to use such expressions as, "there's
only so much work to do" and "we'd better play it safe." It suggests that
managers who have been exposed in their early years to depressed conditions
may not be the most likely ones to plan aggressively for the growth which is
possible within a growing and affluent society. It also suggests that one
should consider delegating more responsibility to people less than 30, who
could be expected to be programmed for continuing affluence, and have them do any kind of forecasting or planning which is related to the growth needs of the organization.

Social Value Changes

One of the most difficult things for any manager to do is to make himself aware of how the value systems of a society have changed and then to adapt to the new value systems. The following constitutes a short discussion of some of the significant value changes which apparently are occurring in our society and are suggestive of some of the challenges for managers therein.

In today's society it would appear that bigness is accepted when bigness suggests value; that is, when the customer believes that a large organization is capable of providing more for his money, he is very likely to patronize that large organization. The widespread acceptance of supermarkets, large discount chains, the A & P organization, American Telephone and Telegraph, General Motors, General Electric, DuPont, and others, is indicative of a willingness to accept bigness, when with bigness comes an increase in value for the individual customer. This may explain some of the willingness to let the Federal government undertake programs which have historically been within state jurisdiction, as an aspect of the same acceptance of bigness. One of the challenges of the acceptance of bigness is that the construction industry will probably come under increasing criticism for the fractionation which is true of that industry. It is hardly likely that we can go on building houses in the quite obsolete fashion that we use, without an increasing clamor for application of large-scale modern methods.

In our present day society there is quicker acceptance of new ideas and new methodology. This has brought, in turn, a faster obsolescence of equipment which has had the effect of changing the value of property to individuals. Who would have expected that the airlines would so rapidly go through the first generation of jets and already be considering substituting a second generation of jet aircraft for the first? In every phase of our society, one sees a quickness in adjusting to the obsolescence of various kinds of property. Indeed, in the individual life of man, one sees the same tendency in the rate at which we trade in old cars for new and throw away quite acceptable and usable clothing because it is not in style.

A second dimension of the changing society in which we live is that it has become a highly permissive, individualized society. It is truly a society in which the individual has a much greater significance than that of any previous point in history. When one compares individual living, even in poverty conditions, in the United States with galley slaves of early history,
there can be no doubt that we have made tremendous progress. On the other hand, the highly permissive, individualized society has raised serious questions of morality as evidenced by rising crime rates, a greater tendency to be permissive in the treatment of the criminal, etc. One might summarize the highly permissive, individualized society value by saying that the value of man has been raised above the value of property, possibly for the first time in man's history.

Another aspect of society value change is the increasing question of the value of experience. When methodology remained relatively constant and equipment was of essentially the same basic character for long periods of time, man could increase his skill by simply remaining longer at a kind of work. As new equipment is more rapidly introduced and as methods are changed frequently, and as a whole technology is replaced with a new technology, serious questions are raised about the value of experience as the business firm typically uses the phrase. In business, experience is normally equated to length of service. Usually we have developed methods of locking people into an organization through various kinds of wage systems and fringe benefits packages, which are based upon the idea that as an individual remains with a firm his value to it increases. We, therefore, tried to get developed in his mind an unwillingness to leave the firm because he would be giving up a good retirement system, or more holidays, or a longer vacation period, or first chance at promotion, etc.

We must today raise very serious questions as to the value of retaining employees in this way and, instead, consider how we can equitably release the obsolete person from an organization and also how we can provide training and development through job rotation and other means, so that the individuals on our payroll can avoid obsolescence. A particularly vexing problem in this area of value of experience is that one develops certain attitudes toward the status quo, which make it very difficult for the relatively older and more experienced individual to totally accept a new method or a new technology. Thus, for example, it raises the interesting question with respect to increasing utilization of computers of whether we should attempt to retrain people having no computer experience, or begin by utilizing personnel who have no previous experience with equipment which has been previously used to do the things that we are now using computers to do.

Another dimension of the change in our social value change system is that the lead time on virtually everything is disappearing. Whether one is talking about the lead time for warning of an atomic attack, which has gone from 15 minutes to three minutes in terms of orbital weapons, or if one is talking about the lead time that is involved in preparing for letting a contract, or in meeting a competitive move, or in purchasing new equipment...
or in promoting individuals, or in acquiring a new employee, in all of these events, the time available to do these things is fast disappearing.

A particularly thorny aspect of this problem is raised when one is advising relatively new employees about the opportunities within the company. The tendency is to advise the employee in terms of the progression of the past and particularly in terms of the progression of the best people of the past. It is very likely that the people that we are hiring today will move faster within our organization—and we may have to move them faster in order to keep them—than has been true of any previous generation of employees.

Possibly the greatest challenge of the changing value systems of society is that we appear to be at the threshold of a "work - no work" society. It is very probable that, if you have a son of less than ten years of age, he will not be able to consider working until he is approximately 25 years of age, since it is likely that he will have to have a Masters degree as well as a Bachelors degree, and since it is probable that he will also have to give one to two years of his life to government service. By the time that this young man reaches the age of 25, it is probable that he can choose between some form of work in order to obtain the necessary economic support for life, or he can choose not to work at all and be provided for by our continuously more affluent and permissive and individualized and socialized society.

Indeed, he may very well have two choices of not working. One would be the lower level of choice, which would be that based upon various forms of poverty programs, and the other would be a higher level of choice, based upon becoming some kind of professional researcher. It is interesting to note that it is possible today to support yourself on various forms of grants beyond the first year of college. It is quite necessary to have enough funds to see one through the freshman year of a university, but then there are various kinds of fellowships and other grants which enable the student to continue to work on a Bachelors degree without any kind of work.

By the time he receives this degree he would find himself faced with a variety of choices for employment. One choice would be represented by universities which are paying between $3,000 and $5,000 a year for students to work on Masters degrees. These are true fellowships and do not require any work but simply attendance and the normal instructional courses and other requirements for the Masters degree. Once one has obtained the Masters degree, there are ample opportunities to work for the Ph.D. in universities; at salaries that range from $5,000 to $10,000 a year. When one has achieved the Ph.D., it is then possible to obtain some form of grant from a foundation.
The secret of the "no work" high road is to obtain a grant for research for some esoteric and little known area where you would truly be the expert. One makes very slow progress in one's research and as a consequence of this, one is able to stage the work out over a long period of time. Further, foundations are known for the fact that they do not like to make small grants but prefer to make large grants and, therefore, it is much more likely that one would get funds if the grant requested is in the order of $100,000 or more than if it is in the order of $2,000 to $3,000. We thus have two roads to the "no work" assistance. One is through the use of various forms of poverty programs and the other is to become some form of professional researcher.

Another dimension of the "work - no work" society is that as opportunities for employment increase appreciably, and as the employee has a wide selection of possible employments, it is necessary to challenge the employee with something more than compensation in order to motivate him. Also, as the educational level rises in our society, the challenge arises to provide these better educated people with opportunities to do creative, interesting, and satisfying work. It is probable that we must consider automating some of the most miserable forms of work, which actually represent work which no human being should be required to do. Again, the challenge of affluence as well as that of the changing values systems in society suggest that we must work to improve the kind of work environment and the kind of employment opportunities which we are providing to the people who are presently available to us as employers.

It is difficult for the plus-40 group to understand the kind of world in which the person entering the labor market has a wide range of choices and, as a consequence of the wide range of choices, can more or less assume that he will always be able to support himself and, thus, begins to look for some kind of employment opportunity that represents challenge and some real satisfaction to him. This, in turn, creates very real challenges for managers to so structure the work that the units of work which we provide to people cause them at the end of the day to go home with a real feeling of satisfaction about what they have accomplished.

Different People

There are a number of dimensions of challenge for a manager in the fact that we have more, better, and different kinds of people available to us than ever before. A number of aspects of this challenge will be depicted in the following paragraphs.

A major challenge is represented by the Equal Opportunity program of the Federal government, which has been duplicated throughout the various states. The challenge most basically is that the individual firm is under
great pressure to reduce its costs as it finds itself in an increasing profit squeeze. With virtually every cost dimension rising and with opportunities for increasing prices to be limited for every firm, it is necessary to attempt to reduce essentially the work force. As a consequence of this, for the last several years most organizations have increased two- or three-fold the volume of work without any increase in the number of personnel on their payrolls. In essence this has meant that we have stabilized the work forces of a very great number of organizations.

While attrition will create some opportunities for employment within all organizations, the real challenge in meeting the Equal Opportunity legislation is to provide the opportunities for advancement for minority groups in the near term. It seems evident that with a continuation of a price-cost squeeze, it will be possible to meet the promotional opportunities requirement only through the displacement of existing work forces.

A separate aspect of the same challenge is that of different work standards for males and females and for white and non-white employees. In order to provide what at least appear to be equal opportunities, it is sometimes necessary to tolerate a lower standard of work from a minority group or from a female than one can expect from a male. To the degree, also, that the minority groups have not been able to get the full educational and environmental opportunities of the majority groups, it is probable that the learning curve for a minority person would be a longer one than would be true for an employee of the majority group. This, in turn, would create two work standards, one for the majority and one for the minority.

An additional challenge arising from the kinds of people that are available in our society is that of seeing and using the total capabilities of an individual employee. The individual employee is like an iceberg to his employer. Only a small segment of the total capabilities of that individual are usually obvious to his supervisor. Indeed, the concentration of the supervisor is usually on the day-to-day aspects of the work of the individual, and oftentimes the supervisor does not take the time to reflect upon the total person who is working for him. Further, employee personnel data are not usually as available as they should be to the supervisory force.

A challenge to managers is to perfect various kinds of internal placement systems within which would be stored very large quantities of data about the individuals on the payroll, which could be used to search the entire work force whenever there would be an opportunity for an advancement or for transfer. Further, employers must consider very carefully their policies on transfer and training and development and,
indeed, on tuition refunds, in order to make available to the individual employee opportunities for growth. On the other hand, if these opportunities are provided, the employer must be in a position to take advantage of them and have a system by which the people who are developing themselves can be identified and can be moved along within the total system. In essence, the challenge is increasing to put the right person in the right slot when the characteristics of both the person and the slot are changing all the time.

Another aspect of people in our society is that they are constantly becoming better educated, more informed, are traveling more and seeing more, are healthier, are generally more intelligent, and typically have wider horizons of knowledge and know-how. If one goes back to the days of the birth of Christ and considers how much information the shepherd had to exchange with his son, it is possible to conceive of the father as being the sole source of knowledge for the child. As society has matured and progressed and developed, it is no longer possible for an individual to be the source of training and development for children but, rather, this becomes more a systematic thing. At the present time the newest generation of people can be considered to be the best educated of all and can also be considered the most informed, because not only has the educational system been constantly improving, but also all media of information exchange has been more accessible to them. And, further, the newest generation has at its age traveled farther and seen more than any previous generation.

As society continues to enrich the curricula of all levels of education, as newspapers, magazines, television, radio, and other media expand information which they are providing for people, and as travel becomes more convenient and less costly and easier for everyone, a rising challenge exists for managers to provide to each generation entering the labor force those enriched job opportunities wherein the better educated, more informed, healthier and more intelligent person can obtain satisfactions commensurate with his or her preparation for a work career. As long as we continue to spend the rising percentage of our budget on educating and informing our young, we must be prepared to utilize their services in the work force at a higher level of sophistication.
Summary

The challenges above may be summarized by suggesting that managers must learn to manage differently from what they have managed in the past, because of the kinds of people who are entering the work force. These are people who have a much higher level of economic security, are much more knowledgeable, are free, are much more individualized, and have grown up in a much more permissive climate than any generation at any previous time. To the degree that an organization has developed its own values system and to the degree that an organization is managing by results or managing for objectives, it has a systematic way within which to utilize the improved talents which are available from these economically secure, knowledgeable, free, and individualized people.