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Chris Smith, John Child and Michael Rowlinson
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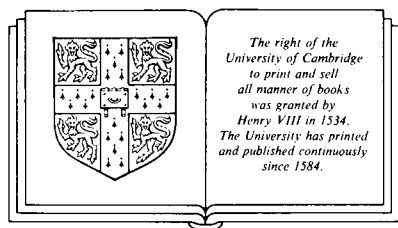
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Foreword

It will come as no surprise that I read this book with the greatest interest. I have spent my working life in the Cadbury business, and I was involved in the whole process of change at Bournville, which is so meticulously described here. All this rules me out as a dispassionate commentator, but it has ensured that I have read the authors' description of the transformation of the Bournville factory since the 1970s carefully and critically. In my view it is an admirably balanced account of that transformation. It made me appreciate how partial, in both senses of the word, had been my understanding of the attitudes and motives of those involved in the change process.

Quite apart from my own special interest in the events which it documents and analyses, the book is important to anyone concerned with how businesses actually operate. It is an extended case study and while at the end the threads are drawn together and reasoned conclusions are reached, readers are provided with the raw material from which to form their own judgements. It will be drawn on by those interested in business behaviour and some of the apparently straightforward management theories of the day can be challenged on the evidence in it.

In particular, the book demolishes simple explanations of how and why organisational changes come about. What it brings out forcefully and clearly is that the causes and course of such changes are profoundly complex. The pressure for change may be the result of competitive forces in the marketplace, but the manner of the change will depend on the pattern of organisation, on the role of technology, on the influence of individuals and on the interplay between all of them. Companies faced with a similar competitive challenge can choose a number of different survival strategies and can implement them differently as well. There are a multiplicity of potentially successful outcomes, and the particular course which a company decides to follow is a result of the wide range of forces described in the book. Mastery of detail is therefore essential to an understanding of the way

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in which organisations change and the detail is there in *Reshaping Work*.

From a personal point of view, the book broadened my understanding of the aims and motives of the principal players in the events it describes. Some of the individual comments surprised me, which is a salutary reminder of the limits to our understanding of people and situations, even when we are closely involved. The book also links together what appeared at the time to be discrete decisions and relates them to the transformation process as a whole. In doing so it brings home the length of time over which major changes have to be made. Complexity and duration are the hallmarks of organisational change.

To turn now to the Cadbury experience itself, what drove the changes described in the book? There were two main driving forces: one was the growth of international competition and the other was a fundamental change in the pattern of physical distribution in Cadburys' home market. The growth of international competition and the emergence of global markets opened the way for international brands. Such brands needed to be made on large-scale automated layouts if they were to compete on quality and value. This in turn enabled international markets to be supplied from a single source; for example, a mammoth Creme Egg plant at Bournville makes for the world. A more immediate pressure to concentrate the company's resources behind a limited range of confectionery products came from the inexorable growth of the grocery chains at the expense of confectioners, tobacconists and newsagents, especially after the abolition of resale price maintenance for confectionery in 1967.

There is a perceptive analysis in the book of the different ways in which industries can be classified, and one way is by channel of distribution. The particular channel of distribution through which goods pass determines to an extent their competitive environment. When Cadbury sales were made mainly through small specialist shops, comparisons of value were with the other goods sold through such shops and, given the importance of impulse purchases, a wide range of different confectionery products, attractively packaged and well displayed, was the key to success.

Then, as the pattern of distribution changed, more confectionery was sold through supermarkets, competing for attention and for the shopper's credit card with all other branded grocery items. At the same time the buying power of the major chains drove down margins, so that to the extent that sales were transferred from specialist outlets to supermarkets they were sold at lower margins on longer terms of credit. The book refers to the degree to which Cadbury moved nearer in these circumstances to the pattern set by Mars. In this context, it is worth noting that the strength of Cadbury and Rowntree in the traditional chocolate confectionery trade led

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Mars to concentrate on a narrow range of distinctive products and on the development of different channels of distribution. The established companies could be said to have nudged the new entrant towards a marketing strategy which they in their turn found themselves following. *Reshaping Work* brings out clearly the way in which companies interact competitively, creating conditions under which change and the response to change are continuous.

To succeed in selling confectionery through the supermarket chains, it became essential to concentrate on a relatively small range of lines, which offered good value and were effectively backed by advertising. The supermarkets were only prepared to allocate space to a limited range of confectionery products and required them to be given strong marketing support to provide the best guarantee of a high level of sales. The limitations on range were therefore space in the supermarkets and the number of individual lines which could justify the escalating costs of national advertising.

All of this represented a basic change in the pattern of confectionery sales, and Cadburys needed to respond to that change. The pressure to respond became more immediate when the company began to lose market share. There were nonetheless a number of possible responses open to Cadburys, as the recorded discussions between the participants in the change process make clear. The end result was the consequence of a complex interaction between markets and people over a considerable period of time. What the book brings out is the importance of the linkage between market forces, technical possibilities, the history and structure of an organisation and the relationships between individuals.

There is a logic to the situation, as Mary Parker Follett taught, but there is not a single, determinate response to it. Certainly there is no one factor which can account for the way in which an organisation reacts to meet changes in its competitive environment. My own view is that when a company is faced with the need for change, as Cadburys were when their market share began to erode, the essential ingredient for success is commitment to the change programme. The precise nature of the plan for recovery and whether it is in some sense the 'best' plan in the circumstances are less important than the degree of support which can be marshalled behind the plan. This is why the lengthy process of argument and discussion, so well described in the book, has a useful function. Ideas and proposals have to be argued out until a sufficient body of support has been built up to give one action plan a high probability of success. A critical mass of support for a particular approach to change needs to be achieved to bring about the transformation of an organisation.

It is the process of building support for change and of deciding on its direction which I find fascinating. This prompts some reflections on the

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background to the Cadbury business. The first is that the Bournville organisation was an open one, in which issues could be argued out publicly and unpopular points of view could be freely held. The option of moving off the Bournville site in order to achieve the degree of change which one senior executive was aiming for was thoroughly debated. It did not in the end stand up on economic grounds, but it was not automatically ruled out simply because it challenged accepted views. My impression is that the limits to the debate would have been set much more tightly from the top in the majority of organisations. The penalty for openness is time, but its potential advantages are a better-thought-out plan and the commitment to that plan to which I have already referred.

Openness of discussion goes back to the firm's origins and to the Quaker view of individual worth and of the ability of everyone concerned to contribute to decisions. That same view led to a willingness to listen to criticism in order to turn it to constructive use. The strength of the joint consultative tradition at Bournville encouraged the open expression of views, whether palatable or not, and this assisted the transformation process, even though the entrenched joint consultative structures held it back.

Along the same lines, the trust and confidence which joint consultation had built up over the years played its part in enabling fundamental change to be brought about with less conflict than might otherwise have been expected. At least the motives for change were accepted as being broadly for the long-term survival of the confectionary business, and not for the short-term gains for the proprietors. This is all part of the paradox that a background of continuity and stability is resistant to change, but it may also facilitate the process of bringing change about. A past investment in good working relationships can up to a point be drawn upon, when far-reaching changes need to be made.

It is also interesting that the pressure for change came from inside the organisation and from those who had been with the company all their working lives. Outsiders played their part in the transformation, but they were brought in by insiders. What proved critical to the drive for change were the moves into positions of influence of a few key figures who shared the same views about the way ahead.

What have we as insiders learnt from the Cadbury experience? Certainly that we should arrive at our decisions more quickly and through a clearer decision-making path; also that we need to find better ways of balancing the views of the different functions, such as marketing, finance, technical, personnel and manufacturing, in arriving at the final plan of action. My guess is that today we would aim for a technically more conservative way of achieving the greater efficiencies, more consistent quality and better values

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which we sought. Large, integrated plant layouts have in practice put too much of a strain on control systems, on machine reliability and on maintenance capability.

The final summing up has to be that bringing about major changes in any part of a business is a complex, confused and uncertain process. It is more dependent on men and women than machines, because businesses depend on people as their customers, they are run by people who have their own individual ideas and aims, and they are in competition with other people in other companies. There are no monolithic interests such as capital, management or labour, but a series of coalitions which shift through time. Success in bringing about changes of the right kind depends on timing, on the determination of a few key individuals, and on luck. I hope that this book will encourage the publication of similar investigations in other companies. It is from thorough and detailed studies such as this that we as managers can learn how to respond to changing markets more speedily, more humanely and more effectively.

Adrian Cadbury

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Preface

This book could not have been written without the cooperation of senior management at Cadbury Ltd. They have been generous in their time and interest in our research, and scrupulously disinterested in granting us full rein in our interpretations and conclusions. Unlike many social science researchers in the field of organisational analysis, we have been allowed by Cadburys' managers considerable access to both internal documents and personnel; and they have placed no obstacles, coercive or benevolent, in the way of our research. They have been keen to see an 'objective' record of their change programme at Bournville, rather than an indulgent, self-praising, and ultimately useless, piece of hagiography. They have not asked us to disguise their company name, products, or location. It has therefore been possible to construct a real history of organisational change at a well-known British multinational company, rather than invent a semi-fictitious 'choc co.' whose disguised identity would immediately limit the interpretation and quality of the research findings.

If other companies could be encouraged to follow this lead, the quality of research in the area would be improved considerably, as social scientists would not have to guard their every comment or internalise self-censorship in order to secure the access necessary to produce critical empirical analysis of the real experience of organisational change and transition. We would therefore not have to hear the all too common remark, voiced in bars at conferences and informal gatherings, 'We've got some great data, but the company won't let us use them.' Such data, and therefore the research which relies on them, can make no useful contribution to knowledge, and social scientists are fooling themselves by agreeing to such stringent controls on their action in exchange for access.

Cadbury managers, in particular Sir Adrian Cadbury and Derek Wood, have read our findings and made known any disagreements with our interpretation. Such exchanges have been wholly constructive; they have not led to any censorship or to the closing of access, the perennial fear of

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social researchers. Rather we have had a fruitful exchange of views, in the best liberal tradition, and this has found echoes in certain differences of interpretation held by the three authors themselves. In this way tolerances of differences in analysis have been central to the writing of the book, and this is largely due to the quality of access provided by the company.

We owe a debt to all the Cadbury managers and trade unionists who consented to be interviewed. Their names have been changed, but the people behind the words in the book are real enough. The book reflects debates within the Work Organisation Research Centre at Aston University, and our colleagues at the Centre have contributed to our methodology and the theoretical interpretation of our findings. We thank them for that.

The preparation of the book has taken place over several years, and we owe a debt of gratitude to Beryl Marsden, now sadly deceased, for transcribing many interviews in the early days of the research; and to Vera Green, who performed a similar labour. Although in the course of the book's preparation the authors acquired word-processing skills and so absorbed some of the tasks of staff traditionally involved in academic work, this did not remove the need for secretarial support. Jean Elkington, Jean Hill, Pam Lewis and Caroline Etchells have all retyped various chapters of the book, and we thank them for their labours. We would also like to thank Pat Clark, Debbie Evans and Rita McNamara for preparing several of the tables in the book. Finally, we would like to thank the Economic and Social Research Council for funding the research upon which this book is based. Any mistakes or faults in analysis are entirely our own.