

Unlocking People Potential As The Key To A Dynamic Organisation

Robyn Hill and Anne Younger

Chisholm Institute

P. O. Box 684

Dandenong 3175

Victoria Australia

Telephone +61 3 5990 7123

Facsimile +61 3 5990 7150

Email robjill@netspace.net.au

A systems view of an organisation would suggest the establishment of the right processes and structures to ensure competitive performance. However this paper contends that the key to a dynamic organisation is its people. Only people have the ability to motivate others who can then innovate organisational structures. But people must be given the opportunity to be learners. If people continually learn, they become systems thinkers because they are always striving to understand the changing environment. The individual learning must be diffused to organisational learning.

At Chisholm Institute we have used literature on organisational learning and improvement as a frame of reference as we apply strategies suited to our environment. Energy is being created as we engage staff at all levels in planning and innovation, reviews and improvements. The momentum arising from a staff of systems thinkers is leading to innovation in processes and systems and a more competitive organisation.

Introduction

This paper is about people. It's about systems and learning and knowledge and structures and processes. And people. We all know that all of those things are linked; they are all important parts in running an organisation successfully, but in this age we are realising that the 'people' part is the key. Perhaps the people part has always been the key, but as we move into a new and unknown age as human beings, people become the raw material, the machines, the drivers, the enablers and the learners.

What I am saying will not be a revelation to you. It is the thrust of much literature in recent years on organisational learning and improvement. What I hope will be of interest and benefit to you is the way we at Chisholm have tried to work through and make sense of literature in this area, and how we have begun to apply it in a way that is right for our particular organisation.

So first a discussion of some of the large body of literature in this area and how we are progressively using it to inform the establishment of our people centred systems.

The Economic Argument

We began by asking ourselves why we were interested in people and systems and learning and knowledge and structures and processes anyway. And essentially it begins with the bottom line: the need to be a successful, winning, competitive

organisation. It is economic - if we are not viable, we don't have jobs. In the past, a competitive organisation that also happened to hit upon satisfied and motivated staff considered the staff mindset to be a bonus. Through most of the 1990s and the industrial age the mainstays have been mass production and marketing, specialisation of work, financial acumen, adoption of technology with perhaps basic people skills thrown in. The emphasis was on setting up functional organisational structures first. Creating systems led by functions not people. The separate boxes on organisational charts, Savage (1996) believes, have hampered creativity, and led to a culture of devaluing others; where weaknesses are emphasised over strengths.

But today (and hopefully in the future) a competitive organisation exists because of its satisfied and motivated staff and the other attributes required by each unique organisation will then fall into place. Those other attributes are still important but the essence now is to combine economic performance with individual growth. This is increasingly important given the rapid changes being made in workforce arrangements in organisations like ours. In fact in the new winning organisations these cannot actually be separated. The new attributes that are vital for organisations to have are all centred around people. O'Brien (1994) believes organisations now and in the future need to:

- explore conversation as a tool, and not just polite conversation
- develop an understanding of systems and interrelationships for all
- address aspirations, visions and values in order that 'power' is dispersed
- explore a different concept of leader

O'Brien thinks we'll look back at this time and label it as some sort of age, but we don't know what it is yet because we are in it.

To contend that all those 'people' based and so called 'soft' attributes are the key to an organisation's success may be perceived as erroneous to some. But analyses of business strategy show that the human factor is fundamental. Quinn (1980), when looking at formal planning approaches in relevant literature, found that 'although excellent for some purposes, they unduly emphasise measurable quantitative forces at the expense of the qualitative, organisational and power-behavioural factors that so often determine strategic success'.

It is now increasingly being acknowledged that human resources represent the key competitive advantage for many organisations. A traditional approach to strategic analysis includes an exploration of that particular 'sustainable competitive advantage' the organisation has - that which cannot be easily adopted or adapted by competitors. These days the only areas or products which can sustain an advantageous position are knowledge based - human intellectual capital. The focus is now on creating products and services from ideas. The raw materials are our ideas and the knowledge from which they are generated. And any idea, insight, new product or process is really a learning process. Jones from the US National Alliance of Business said in 1996, 'in the long run knowledge will be the main source of economic growth and improvements in life.' Concentrating on the people factor is not a soft option after all. Its intrinsic link to the hard economic reality is becoming more and more apparent.

The word 'knowledge' is now widely used in the organisational development context. We are in the knowledge era; we have knowledge resources instead of human resources, we have knowledge management and knowledge is the key resources constraint. Note that we see knowledge as a resource, and learning is the ongoing

activity that enables new knowledge to be created from that resource for the benefit of the individual and the organisation. The information systems that support this resource within an organisation are knowledge systems, according to Savage. It is by using this term and seeing systems in this light that we can look at systems from a different perspective. People learning systems are the starting point and it is these systems which shape and reshape other organisational structures and processes. This notion is extended by Sandelands (1999) who states that 'in equipping people to access, interpret and apply knowledge effectively to business challenges, learning infrastructure must be in place'.

If the organisation is to benefit, he proposes, then 'learning must be pertinent to the mission of the organisation and be shared and developed into learnt systems, which enable the organisation to act in a smarter fashion as a pay-off from its investment in learning'.

Vaill (1996) sees continual learning as systems thinking since a systems thinker can never know everything about a system that is open to the environment and internal elements. Therefore the learning of systems thinking has as a dependant human beings because it entails learning about oneself in interaction with the surrounding world.

This new paradigm (i.e. of people systems leading the way) gives the informal organisation of an enterprise legitimacy. At Chisholm, having recognised that it is our people and their minds we need to nurture in order to prosper, we asked ourselves what were some of the ways we could foster it as an organisation and at the same time make it challenging and enjoyable. Firstly we need to make sure there are opportunities for people to learn - to unlock their potential.

Organisational Learning Models

A study of organisational learning introduces frameworks from which we can develop environments for continual learning. Senge's (1990) version of the learning organisation provides the power to people by suggesting that organisations are formed by our thinking and interacting, and that individuals and teams can therefore overcome any barriers. His central component is the adoption of lifelong programs of study and practice, supported by key guiding ideas.

There are many writers exploring the ideal of organisational learning and learning organisations. But there is no single model or system to be adopted - instead we are faced with a whole range of concepts and principles that need to be present in an organisation. No organisation is alike, given ever changing environments, people and experiences, so there cannot be one model. There are important constants however. Argyris and Schon (1996) believe there is an ideal which is broadly shared and which encompasses,

'organisational adaptability, flexibility, avoidance of stability traps, propensity to experiment, readiness to rethink means and ends, inquiry orientation, and realisation of human potential for learning in the service of organisational settings as contexts for human development.'

Theory in this area has been accused of being abstract and vague but it must be in order to give meaning to each unique organisation's circumstances. The theory describes organisations which are constantly learning, growing and changing and which are 'beyond the stable state.' (Schon, 1993) They cannot be stable or predictable in their operation. Practitioners must understand the theory as points of reference and standards of evaluation and take away that which can assist their own organisations. It is the changing environments that provide the challenges to people for new solutions.

So what does this theory of learning organisations mean in practice - for that is where we can truly learn. Mumford (1996), Pearn, Mulrooney (1995), Dixon (1994), and Watkins and Marsick (1993) have described the power of work based learning approaches in their capacity to engender real organisational learning. In particular, these authors applaud the capacity for the use of action learning at all levels of the organisation as a mechanism for enabling staff to work on real projects in a committed group environment towards outcomes for which they have ownership.

Mumford explains the learning environment in terms of a 'learning pyramid'; this model of individual learning, one-to-one learning, group or team learning and learning organisation, 'represents the organisation as being the peak of achievement'. The three levels below are steps that need to be taken before reaching the peak. If we talk about a learning environment as Mumford does, then it means that we can move away from the notion of the learning environment as being driven by a somewhat unattainable set of values or behaviours, and look at the systems that link the levels of learning together. The view that this creates is the capacity for HR and managers to see the overlapping elements that enable individual learners to move in and out of learning 'arrangements' according to their own and the team's or organisation's needs.

Sandelands uses the words of Wills (1993) who puts it succinctly when he states that 'each enterprise must institutionalise its workplace learning systems in such a way that it radiates what it has already achieved, and from such a well understood platform, moves on to realise its full potential'. Prior to amalgamation, one of the partners recognised the value of action learning as a means of working to achieve this potential.

Over the last four years action learning sets have been assembled for a variety of purposes. From senior management development to operational teams, action learning has been used to facilitate deep organisational learning in the Institute. The Frontline Management Initiative, in particular, has emancipated many staff as they develop their competencies through their work with the support of formal and informal mentors and coaches.

Applying the Theory for Individual and Organisational Benefits

Chisholm, through amalgamation last year, has become the second largest TAFE institute in Australia. We are not used to the freedom that brings or the bigger list of unanswered questions. Jack Welch, the Chief Executive of General Electric stated in 1997, 'The bigger the company, the more you get wrong - and the more opportunities arise for improvement'. He also stated there is more room for learning, challenges, and excitement.

In our case there is a need to gauge the pace of change that is right for staff and our own fledgling culture. Not all staff are at a point where they can readily accept or benefit from strategies based around integrated learning -an issue which I address later in this discussion. Earlier this year my colleague and co-author attempted to loosen up all positions within the two units in her new department because she thought it would provide staff with the potential for broader skills, varied work and a feeling of emancipation. For her it was also creating a blurring of two functional units and hence a systems oriented approach. However staff became uneasy with roles that were not clear cut and traditional positions were maintained. It was too early and too sensitive for such a shift. But it can be tried again in the future if the culture evolves to be open to it.

We realised that anything we planned to introduce would need to involve subtle processes. 'Connecting the energy' Binney and Williams (1997) call it, but they acknowledge that this energy can be released in a number of ways by organisations. People need to understand the underlying patterns of dependency in their organisations; and to think through how to connect the different teams and parts of the organisations as they change.

And whilst we can plan our initiatives, Quinn reminds us that no-one can predict how any sub-system will evolve or interact with others to create the strategy of the enterprise as a whole.

We identified with, and recognised that we needed to introduce some of the enablers of productive organisational learning listed by Jones and Hendry (1992):

- Information systems that provide fast public feedback on performance of the organisation and its components;
- Mechanisms for surfacing and criticising implicit theories of action;
- Measures of organisational performance;
- Ideologies associated with continuous learning, quality, openness; and
- Drawing out personal and shared visions.

Chisholm's Strategy Division

As I have pointed out in the discussion to date, unlocking the people potential and creating the learning momentum will occur uniquely in each organisation, but only when a whole range of characteristics are present. Working in the Strategy Division at Chisholm we cannot influence everything at the Institute however we have been able to commence a number of initiatives aimed at building our place into a great organisation. At Chisholm the Strategy Division is uniquely placed to kick-start the people power - having responsibility for continuous improvement, policy and planning, human resource development, innovation and educational services and development. Of course it's fine for me to stand here and talk about it now because as Senge has stated, 'It is easier to begin initiatives than to bring enduring changes to fruition'.

The first area in which we have attempted to promote a learning culture has been in the actual development of the new vision and values for Chisholm. In developing a new vision and values, on behalf of all staff, the senior management group has been at pains to treat and publicise them as draft. Every staff member has been sent a letter with the draft statements, and has been asked to consider them over the next few

months as they use them for guidance in their roles. Later this year they will be reconsidered after feedback from all. This has been an early attempt to create common and compatible outlooks or visions across the Institute.

In the Strategy Department we agree with Argyris and Schon who recognise, 'the human capability for questioning, experimenting, adapting and innovating on the organisation's behalf'. We want to create a mutual search for insights. The next initiative has been an attempt to capture this across the whole organisation.

We have initiated a process for strategic planning in which each discipline or industry or corporate area establishes its own planning team. As implied they are responsible for the long term direction in their area. This is where we have innovated the process in a way we hope is right for Chisholm by making teams responsible for reviewing activity, customer feedback, developing action plans to implement improvements, and identifying areas for policy and procedure development. In the past we have found that the more traditional planning teams were not seeing the plans implemented and reviewed. The new teams have an improvement focus as well as a planning focus in order to ensure results of plans and activities are received and opportunities for improvement pursued.

The whole planning process utilises a systems approach to corporate activity. The planning process promotes integration across core and non core business areas of the Institute. The teams have an external view but attempt to align resources internally. The opportunity to share information across teams is provided through meetings of our business development network.

What I have just outlined is a brief run down of our process that may not sound particularly new or remarkable. I'd like to dissect it to a certain degree to demonstrate further its centrality to Chisholm's learning and future success. If we can develop a model planning process, then this is also our continuous improvement and learning process. The important element here is the deliberate structuring in of monitoring and reflecting.

Th planning teams are becoming models for our new people centred learning systems. They provide opportunities for people to learn- to unlock their potential. On the teams they learn from their experiences and individuals are helping other organisational members to 'see the patterns and not just the parts.' (Savage) They are working together to explore the capabilities that they need to grasp the opportunities that arise for Chisholm. And above all they are striving to be teams where openness and honesty frame their thoughts, discussions and actions. Over time the teams will need to reshape according to ideas and insights - it is important that they can adapt and become self organising because if that is occurring it means they must be learning.

From the individual's point of view, development is occurring as individuals apply questions that challenge our approaches, explore what and how we implement and put the spotlight on the results. More formally, any staff involved with the planning teams build their involvement into their professional development plans as personal learning objectives. Strategic and operational planning is regarded as a core management competency, as is leading and facilitating teams, facilitating and capitalising on change and innovation, establishing and maintaining effective workplace relationships and contributing to the development of a workplace learning environment. These competencies can be practised and gained through management

development initiatives. The Frontline Management Initiative in particular, has emancipated many staff as they develop their competencies through their own work with the support of formal and informal mentors and coaches. The introduction of this program for us has had a revolutionary effect as an enabler. The sorts of qualities we have been emphasising, are all brought to the fore through this program.

Research into staff development and training in 1997, commissioned by the Victorian Office of Training and Further Education, found that action learning and mentoring were becoming increasingly popular. Workplace learning, the study reported, already occurs across the TAFE sector but many aspects are not organisationally managed and are therefore not measured, costed or evaluated. Planning and evaluation mechanisms were not found to be in place to ensure that training and strategic directions were actually met. The study found that TAFE enterprises were not (as may be expected) exemplars of modern practice in enterprise based employee training and development.

We believe there is a reason for this mixed report. It is important to take a considered view in relation to the numbers of staff who can readily undertake and benefit from this organisationally integrated learning and development.

We would identify staff training and development as strategically important in the corporate goals of TAFE institutes. Whilst staff training and development has in the past been significantly concerned with the development of teaching staff, this attitude and practice has changed in recent years. We now recognise that all staff in the organisation need to develop broad and specific skills. Indeed, it is recognised that in some institutes there is an increasing blurring of the boundaries between the professional teachers and other groups of staff in the organisation.

This is presenting a quite different picture of individual roles within the TAFE workforce. In this organisation, staff in all categories have gained access to individual development as a part of the planning process. That is providing they are able to participate during what might be considered 'normal' working hours. The question that challenges us is how do we extend this process to all staff; those sessional and casual staff who only attend the Institute after hours, on weekends or are distance based.

The aforementioned research project, in which I was a research officer, demonstrated significant changes in the thinking about professional development in vocational education and training. It found that sessional staff are usually employed because of:

- Current industry knowledge
- Credibility in the industry
- Willingness to undertake sessional work in addition to their industry employment.

The professional development they do undertake is usually in the area of teaching/training and assessment. Access to other forms of PD varies across institutes. Sessional staff do not, or are not able to, take advantage of other professional development activities, whilst ongoing and contract staff make use of IT and other in-house forms of professional development, including conferences and seminars.

So how can we establish the right processes and structures to ensure competitive performance when the workforce is so diverse in its roles and employment status?

Chisholm is no different to any other organisation in that its work is influenced by tacit knowledge. Tacit knowledge, according to Nonaka (1991), is an important constituent of expertise. Some individuals with tacit knowledge may not want to work exclusively for one organisation, and conversely, organisations are increasingly using peripheral, or sessional workers for specified project outcomes. Organisations will place a particular value on an individual's tacit knowledge and reward that in a variety of ways. What Chisholm aims to do is create a shareholder model of organisational knowledge. This model is one in which the organisation benefits by embedding the individual's tacit knowledge as organisational commodity for 'optimal dissemination' (Albert and Bradley, 1997), and the individual benefits through having a system of work-based learning that supports their professional development, portfolio capacity and further knowledge creation. This shareholder approach will be captured for all staff in the individual performance plans so that teaching assignments and project involvement can be planned to meet the needs of all shareholders.

We are cognisant of the arguments that individual learning cannot equal organisational learning. Some reject what we call organisational learning, saying it is only learning on the part of individuals who happen to function in an organisational setting. This body of thought points out that an organisation cannot learn, individuals learn. The thinking of Gilbert Ryle (1949) was stronger yet. He believed 'one person has no direct access of any sort to the events of the inner life of another'. At Chisholm, we have ensured that individual performance plans and learning objectives address the area's plan, and that personal learning objectives are integrally connected to the organisation's business and the work of others. If the environment is honest and open, with explorative relationships, then learning must be diffused.

Another initiative which is using as its basis the development of people learning systems to drive the organisation, is our system for professional assessment and development (or performance management) for individuals. It uses self assessment to enable people to continuously improve. The initiative, which is in its infancy, has been part of a benchmarking project with Canberra Institute of TAFE, funded by the Australian National Training Authority. Beginning with our teaching staff, collaborative partnerships between individuals and their managers are being encouraged during which mutual exploration of possibilities provides opportunities for continuous improvement. Individual staff members periodically use their own self assessment sheets to ask the following questions:

- How well have I planned for the achievement of my objectives?
- How much of what I have planned am I actually doing?
- How positive are the results which measure progress towards achieving my objectives?
- How well am I reviewing, learning from and improving my strategies for planning, actioning and measuring the achievement of my objectives?

This self assessment is based on the Approach Deployment Results Improvement (ADRI) methodology for promoting continuous improvement, recommended by the Australian Quality Council.

The individual's manager reviews the self assessment and action plan and provides feedback, and the individual identifies others (e.g. peers, customers) who can also review the information and give feedback. It is the individual and not the manager who is responsible for initiating and following up on activities.

Sandelands (1999) maintains that it is crucial to foster innovation and intrapreneurship in order to create a high performing organisation. Through innovation, new knowledge is generated; the challenge is then to capture and share that knowledge in order to promote organisational learning as well as personal and team learning.

In Chisholm, the importance of the innovative process is recognised to the extent that an Innovation Network has been embedded within the organisational structure. Using a range of enabling strategies, the staff of this Network work with managers and their staff to generate new ways of looking at current practice to identify opportunities for taking informed actions that move them beyond their known frameworks. The overall aim is to try something different that has the capacity to add value to their staff, their unit and the organisation. This is Mumford's model in action, and the outcomes are evaluated in terms of the development of learnt systems. That is, we know that an individual or team has really had an impact on the organisation when the new knowledge they gain from doing something differently has led to a change in the systems of the team and the organisation.

An example of this structured approach to innovation and organisational learning follows. Two new sector managers use an innovative approach to team building in their area. Their team is made up of equal numbers of representatives from similar teaching areas in each of the pre-amalgamation organisations. The managers were concerned at the overt tension between the groups in terms of their continued competitive approach, and determination to cling to 'the way we used to do it'. This was constraining the growth of the sector, and continuing a traditional, fragmented, competitive, and knowledge-withholding approach throughout the sector.

The managers (who themselves were from different pre-amalgamation organisations) developed an Innovation Proposal that aimed to create a more unified team using a highly structured, interactive, two-day retreat. There were calculated risks in this approach, given that the activity was to occur in the teachers' traditional non-attendance time, and forced factions to eat, sleep, work, play and learn together.

The outcomes have been extremely positive; knowledge being shared, learners and other clients of the organisation are seeing a unified Chisholm approach, and most importantly, all staff of the Sector (sessional and contract teachers, managers and administrative) see that they all have a contribution to make and learning to undertake. The innovation has been taken up by a number of other sector manager pairs throughout the organisation.

What we see here is the capacity for innovation to capitalise on the learning moment, to help unlock the people potential of an organisation, the systems of which have at its heart personal, team and organisational learning.

Conclusion

When learning is understood as I have been describing it, it becomes embedded into individuals' roles and the desire to learn is self-perpetuating. It is at this stage, a stage which we are always fighting to maintain because of ever-changing environments, that the real people power is unlocked. The desire from staff must exist - no-one can be forced to learn or to understand learning in this way. Whilst it occurs in an organisational context, the journey of discovery is a very personal one.

Imagine having a body of people such as those I'm about to describe and (originally penned by Senge) and you would feel as if you could do anything as an organisation.

People who 'expand their own capacity, hold and seek a vision, reflect and enquire, build collective capabilities and understand systems'. They are the ones who contribute the most out of all employees to an enterprise because of their commitment. And they have that commitment because the organisation has equally shown faith in them.

References

Albert, S. and Bradley, K. (1997). *Managing Knowledge: Experts, agencies and organisations*. Cambridge University Press, UK.

Argyris, C and Schon, D (1996). *Organisational Learning II: Theory, Method and Practice*, Addison-Wesley; Massachusetts.

Binney, G and Williams, C.(1997). *Leaning into the Future*, Nicholas Brealey, London

Dixon, N. (1994). *The Organisational Learning Cycle*, McGraw Hill, Developing Organisations Series, London.

Goldsworthy, A. W. (1996). *Changing Patterns of Work..* Address to 2nd National Conference, Victorian Association of Directors of TAFE Institutes, Melbourne.

Jones, R.T. (1996). *The Challenge of World Class Training*. Directions, Nov 1996, pp 3-8

Jones, A.& Hendry, C. (1992) *The Learning Organization: A Review of Literature and Practice*. Coventry, UK.

Moore, J.I. (1992). *Writers on Strategy and Strategic Management*, Penguin, London.

Mumford, A (1996).. *Creating a Learning Environment*, Journal of Professional HRM. Issue No. 4, July 1996, pp 26-30.

Nonaka, I. (1991). *The Knowledge Creating Company*. Harvard Business Review, Nov-Dec, 1991, pp 96-104.

O'Brien, W, (1996). In *The Fifth Discipline Fieldbook*. Peter Senge. Nicholas Brealey, London

Office of Training and Further Education (1997). *Staff Training and Development in the TAFE Sector of the State Training System in Victoria*, Vol 1.

Pearn, M., Roderick, C., and Mulrooney, C. (1995) *Learning Organisations in Practice*. McGraw Hill. London.

Quinn, J (1980). *Strategies for Change: logical incrementalism*, R D. Irwin, Homewood, Illinois.

Ryle, G. (1973). *The Concept of Mind*, Penguin, Harmondsworth, UK.

Sandelands, E. (1999). *Learning Organisations: a review of the literature relating to strategies, building blocks and barriers*. Management Literature in Review. Vol 1, 1999. Accessed from <http://www.free-press.com/journals/mic>

Savage, Charles (1996). *Knowledge Management*. HR Monthly,. Nov 1996, pp12-15.

Senge, P.(1990). *The Fifth Discipline. The Art and Practices of the Learning Organisation*, Doubleday, New York.

Senge, P., Kleiner, A., Roberts, C., Ross, R. and Smith, B. (1994). *The Fifth Discipline Fieldbook: Strategies and Tools for Building a Learning Organisation*, Nicholas Brealey, London.

Vaill, P. (1996). *Learning as a Way of Being*, Jossey-Bass, San Francisco

Watkins, K. and Marsick, V. (1993). *Sculpting the Learning Organisation*,. Jossey Bass, California

White, R.P. (1997). 'Seekers and Scalers: The Future Leaders', *Training and Development*. Jan 1997, pp 21-23.