5

Technologies and processes for human sustainability

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> In virtually all successful science fiction movies, there is a common theme, an inadvertent and revealing contrast. Technology is breathtakingly elegant, precise and powerful. Improvements over modern technology are stupendous and glittering. But in this future, people relate to each other in exactly the same way they do now. The same duplicity, superficiality, hostility, strategising and competing. No improvement whatsoever. Titles are Star Wars, rather than Star Peace (Will Schutz, 1994).

The focus

The focus of this chapter is the 'people part' of an enterprise—and specifically the ways that technologies and processes can enhance workplaces and work spaces, provide environments where people enjoy working and learning, and assist in building and sustaining meaningful relationships with all stakeholders.

Corporations are evolving and taking new forms. However, it would seem likely that corporations will be part of the foreseeable future. Underpinning the ideas explored in the chapter is a strong belief in the need for corporations to play an active role in all areas of society. In our view, governments have neither the resources nor the capacity for the learning, creativity, innovation and quick responsiveness required to address many of the issues facing the world.

Our intent is to provide stimulus for further dialogue and conver-

sation. Ideally the chapter should be read in conjunction with Chapter 8 written by Alan Pears. In the process of preparing and reviewing material for this book, we discovered many parallels and interdependencies in the issues raised in these two chapters. The interaction between people and technology is a critical and fundamental relationship in developing sustainable organisations.

Key questions

In this chapter, we address some key questions:

- What constitutes human sustainability from the perspective of the executives and managers of an enterprise? From that of employees? From that of other stakeholders?
- How can organisations select technologies and processes that support alignment between the needs of the business, and its stakeholders?
- How can the application of different technologies and processes support sustainable employment relationships and working arrangements?
- How can technologies and processes enable employees to undertake work in ways which promote personal and organisational learning, and their psychological well-being?

Frameworks and definitions

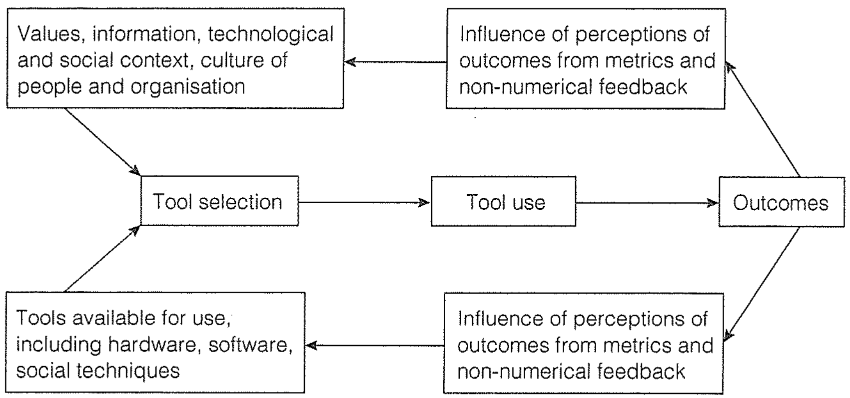
These definitions are the same as those used by Alan Pears in Chapter 8:

- 'Technology' refers to the tools that are used to produce the goods and services of an enterprise—that is, the 'hardware' of an organisation. It includes, but is not exclusively concerned with, information and communication technologies.
- 'Processes' are the 'software' needed to support and enhance the tools and technologies and this includes policies and guidelines, ways of working together, organisation and work design.

Figure 5.1 outlines the interaction between various elements of an organisation, and the critical influence that values and assumptions play in the choice of a particular technology or process, whether the desired outcome has financial, human or ecological sustainability as its focus.

Technology and processes are tools that interact with other elements of the organisation and with each other in order to achieve desired outcomes. The interactions are complex, and are not value free. The tools, technologies and processes themselves have embedded values and assumptions about people, working relationships and the way in which the

Figure 5.1 Simplified framework of selection and use of tools in organisations



world should operate. Likewise, the values and assumptions of those establishing the outcomes and selecting what they believe to be appropriate tools also come into play—even if they are at times invisible or unconscious.

What is human sustainability?

From the perspective of the corporation . . .

The most obvious human sustainability imperative for enterprises is the alignment of the interests and needs of the business with those of their most important asset, their staff, so that business success can be achieved and maintained. The oft heard rhetoric of people being an important asset has become an imperative in the knowledge economy.

One of the great paradoxes of our time is that job security and loyalty have been weakened at the same time that organisations are more reliant than ever on their human and intellectual capital for business success. The impact of economic restructuring, and the advances in communication and information technology have fundamentally altered the employment relationship (see Chapter 4).

There are, however, other alignment challenges within the human sustainability arena for organisations that may not be so obvious. For example, there is the alignment with the needs and aspiration of shareholders, resulting in an increased emphasis on corporate governance and ethics. For example, shareholder expectations in relation to the transparency of decision making and access to information have changed significantly in the last decade in Australia.

At a global level, issues of corporate governance, including the rights of shareholders and the community to information, is the subject of a major OECD initiative, including ministerial level meetings. The 1999 OECD International Symposium on Intellectual Capital was addressed by Stuart Hornery, Chairman of the Lend Lease Corporation. In his view, we are moving 'towards a disclosure regime which is relevant, timely useful and reliable . . . inexorably towards real time reporting. The web page is where it will be at, and the annual report a matter of record' (OECD, 1999). Technology, therefore, has the capacity to transform the basis for investment decisions.

Contrasting cultures of capitalism impact also on the tools and strategies that are used. As Stace and Dunphy (1994: 24) point out, capitalism is practised differently in different parts of the world:

- Western Europe—stakeholder capitalism, balancing multi-party concerns and managing in a complex environment.
- US and other Western economies—shareholder capitalism, maximising share prices, with a focus on cost reduction and competitive strategies.
- Japan/Asia—collective capitalism, where the longer term, developmental and collective perspective results in a primary concern for developing an internationally competitive corporation.

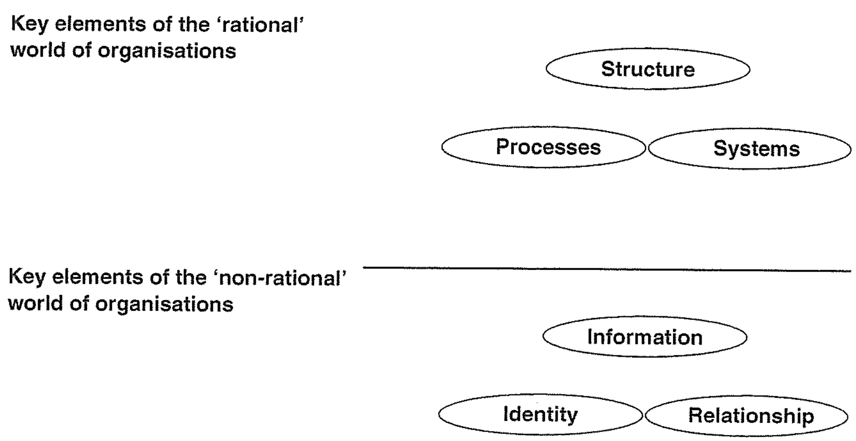
There are also alignment needs for customers, suppliers and contractors. The challenge of alignment for staff, customers, shareholders and other stakeholders is not new, and has always been the role of management. However, traditionally, this was able to be achieved via command and control, in particular the control of information and knowledge.

Alignment will therefore result in the selection of very different tools and processes, depending on the desired outcomes. This also highlights why the transfer of tools and technologies across cultures (without addressing the embedded values and assumption at all levels of the process) is often ineffective and sometimes leads to costly problems in implementation.

From the perspective of the individual . . .

Human sustainability is essentially about psychological well-being, evidenced by a capacity for renewal, the nurturing of capability and an increasing capacity to cope with varied and unpredictable situations. Human sustainability has learning, growth, trust, freedom and choice as key elements. Outcomes include being able to take responsibility, make informed decisions based on information that is freely available, meeting the needs of self and others, and having relationships which contribute

Figure 5.2 Key elements of organisations



Source: Draws on the work of Margaret Wheatley, 1992. Acknowledgement: Phil Baas, Draft One Communications, Melbourne, and Tim Dalmau, Dalmau & Associates, Brisbane.

For corporations, increasing interest in the psychological well-being of its stakeholders, particularly staff, often derives from a better understanding of the costs incurred with high levels of staff turnover, conflict and absenteeism.

The sustainable work environment: a framework

Within work environments, an environment that promotes human sustainability emerges as a result of the interplay between the factors shown in Figure 5.2.

This diagram is the framework for the Queensland Public Service Experiential Leadership Development Program. This model emphasises the need to build structures, systems and processes that are based on the 'non- rational' elements at both the collective and individual level; that is, systems and structures that take account of the questions and issues relating to:

- identity (What do I stand for? What are we known for? What are the values that guide our actions as individuals or organisations?)
- information (attitudes to access, openness and transparency, the power, control and authority, who needs what, who has access, who can use it)
- the quality of the relationships (levels of openness, feedback, levels of influence).

The 'non-rational' world is the chief arena for developing work environments that promote human sustainability—and it is critical to note that the term is non-rational, not irrational! The stated need to pay attention to the 'non-rational' elements of identity, information and relationships—for individuals and the organisation—is not new. The socio-technical systems approach to work design, pioneered by the Tavistock Institute in the UK and Scandinavia in the 1950s and 1960s, emphasised the need for equal attention to be paid to both the social and technical systems. The fourteen principles used by Dr Deming in applying quality management also contained both aspects, and many of the more recent tools and processes, including re-engineering, likewise advocate the need to include consideration of the 'people aspects'.

There has, however, been a significant gap between acknowledging the need to be concerned about people, and having this concern manifested in practical and ongoing approaches to the development of firms that promote sustainability. The emergence and organisational legitimacy of personnel departments, and more recently employee relations and human resource departments, has generally been derived from a reluctance on the part of managers to identify these issues and a lack of capability in addressing them.

Even the language that has developed has contributed to these aspects of organisational life being seen as less important. For example, people management being based on 'soft' skills.

There is no quick technological fix to social and human issues in workplaces. For example, in 1973, when I was working as an industrial relations practitioner, the advent of containerisation on the Australian waterfront was heralded as a way to reduce the control that waterside workers exercised, based on the notion that their influence would be reduced if there were less of them. The impact was of course the opposite—a smaller number of people could, and did, have a greater impact. In Brisbane, after the introduction of this new technology, only one person needed to 'go slow' to significantly impact the productivity of the whole terminal. Disruption acquired a new ease and elegance, without losing any pay.

Alignment for human sustainability: manipulation or interdependence?

How can the needs of staff and stakeholders be aligned with the needs of the business? One view is that it occurs through an act of conscious manipulation. The values and assumptions that prevail within the enterprise, including those values held about people, directly inform the choice of initiative or strategy developed to encourage alignment. It could be likened to the political strategy of giving speeches based on the results of elector's fears and concerns.

Another view is that alignment occurs because organisations are driven to respond to the changes that are occurring in society and have not really adopted any of the core values and philosophies essential to long term human sustainability—that they are merely bowing to the inevitable rather than taking a lead. Those holding this view cite the apparent paradox of the numbers of people prepared to listen to business leaders such as Anita Roddick of The Body Shop, or Ricardo Semmler of Semco—without there being any upsurge in the implementation of different approaches.

For example, developing and promulgating visions and missions for organisations is regarded as a fundamental component of alignment—to enable stakeholders to know what an organisation's values are and what it stands for. However, there are certainly those who believe that this has been, in some organisations, a purely cynical process to manipulate alignment. The gap experienced by staff and customers between the rhetoric of espoused values and the policies, procedures and practices reinforces this view. Expressions such as 'we need buy-in', 'how will we get staff to sign off', 'developing ownership of the vision and values', while purporting to demonstrate a concern for alignment may simply obscure a deliberate and conscious choice of language rather than making real changes in the way things are done. Increasingly, the shift in the relationship between an organisation and its stakeholders enabled by technology is resulting in ongoing, dynamic and responsive processes being developed.

Management's alignment challenge

> A sustainable corporation will need a willingness to change, a passion for developing the capacity and self-confidence of its inhabitants which are valued more than the physical assets. The organisation should be viewed not as a property but as a community, i.e., people are no longer considered to be human resources but are looked upon as citizens working toward a common purpose (Handy, 1997b: 28).

In the previous chapter, Paul Gollan identifies the impacts of some of the more recent approaches to strategic management. Government initiatives to support global competition, including floating the Australian dollar, the deregulation of markets, the removal of tariff barriers, and the mantra of competition and the level playing field provided impetus

for restructuring of the economy on a massive scale, and led to the introduction of terms such as downsizing, re-engineering—and even right-sizing—into the language.

The dominant strategic management and economic rationalist approach is based almost exclusively on intervening at the rational level. Given the desired objective of planned and purposeful competition, this process often demands a high level of internal change, for example, mergers, acquisitions, divestments. While it may be argued that this was an appropriate response for the environment at the time, evidence is mounting that it does not create sustainable workplaces. In fact, few organisations realised the anticipated results that the approach promised, in large part due to the almost exclusive concern with the competitive environment and strategy. The approach says little about how to achieve strategic outcomes and many of the unintended consequences were often the result of social and ecological factors (for a more complete analysis see Dunphy & Griffiths, 1998: 109–34).

It is also predicated on the totally unrealistic assumption that all human behaviour is rational, and the people will respond appropriately to rational debate and discussion about what is needed to achieve economic and financial imperatives.

New concepts and language

Lead enterprises have already understood the limitations of the economic rationalist approach, and are adopting different metaphors and strategies to developing sustainable organisations. Leading writers and commentators (for example, Arie de Gues, Margaret Wheatley, Charles Handy and Peter Drucker) have influenced the transition of strategic management to incorporate processes designed to address long term corporate sustainability.

The emerging models and metaphors being used draw extensively on the increased understanding of ecological systems and include terms such as:

- interdependence
- integration
- open systems
- chaos theory
- quantum theory
- community
- learning
- relationships
- social responsibility.

This list should not be seen as exhaustive, however, the terms serve as the context for exploring human sustainability issues in greater depth. Many of the themes outlined here are explored in more detail in other chapters of this book.

The very notion of work is changing. It is shifting from a focus on tasks and activities, just 'doing things' to creating wealth and value for organisations, customers and ourselves, achieving these outcomes through knowledge. The 'workforce' is increasingly transitory. More people work as contractors, consultants, in part time roles. Many are choosing this, others have had full time work removed as an option. Some estimates are that within five years, more than 50 per cent of people involved in doing corporate work will not be core employees of the business. The values and expectations of the workforce are changing. Recent research demonstrates that the next generation of employees have different values, and therefore expectations of the workplace (see below). Both chaos and order exist. Increasingly, leadership is about establishing the intent, purpose and values of an organisation and the work to be performed—and then getting out of the way. People then behave in similar ways as the 'strange attractors' identified by scientists—if the purpose is clear, the bits will find each other and connect in the ways needed to achieve that purpose.

Boundaries are blurred—between organisations, between functions, between disciplines. Knowledge does not fit neatly into the compartments and structures that we have created to assist 'good management'. Customers are not prepared to interact with five or six different sections to achieve their desired outcome. They expect the organisation to provide that integration for them. It is a 'both/and' world, not an 'either/or' world. This is a world of infinite paradox—we want high tech *and* high touch; organisations demand stability *and* innovation; employers want flexibility *and* loyalty; employees want equity *and* individuality. There is no one 'right' answer—rather there are an infinite number of options and possibilities.

The focus must be on interdependence and relationships. If nothing else, we are already acutely aware that achieving outcomes requires people to be able to work together—in different and often fast changing combinations. Cyberspace project teams and multi-team membership are becoming more commonplace.

Places for work are now wherever the person is. Airports, homes, planes, cars, hotels, cafes and restaurants are all being reconfigured to support multiple usage. Some large hotels now have 'cyber' customer service staff—available 24 hours a day to assist guests with their communication connections. All airports provide opportunities for travellers access to communications networks and send messages. Cyberspace

cafes increase in numbers. Some aircraft already allow Internet and phone connections.

Spaces for work have also undergone a revolution. There are multiple spaces—depending on the nature of the activity—rather than a personal space in which one person undertakes all activities. Spaces within office buildings can be shared, separate, quiet, open, configured for teams, designed for meeting with customers. The person becomes portable and mobile—moving to the most appropriate space for the particular activity.

The role of information and communication technology

While there is common agreement that technology has had an enormous impact, there are widely varying views on the likely outcomes. There are as many advocates for technology as a saviour, ensuring a new and glorious age of creativity and imagination, as there are purveyors of the view that the dark or shadow side of technology will create a divided society with an under class of employee.

Information and communication technology have certainly created a *shift in the power relationship* between employer and employee, between purchaser and supplier, between shareholder and corporation. The Internet is an anarchic organisation—where the traditional notions of access to and control of information are rendered obsolete. Information can be shared and made available without any reference to status or position.

Information: Collection and use

Sustainable organisations have realised the need to shift their focus/ mind set from technology as the driver and solution, to technology as the enabler, with people applying judgement to provide options. That is, technology enables access to information and knowledge—people are needed to apply judgement, discretion and initiative.

The focus of any business is shifting to developing and sustaining effective external relationships, as information about customers is more accessible. It has become easier to identify and/or predict customer needs rather than just reacting to them. It is the era of mass customisation, where customers—and employees—expect to be treated as individuals within the framework of the products and services on offer.

This results in a shift in the internal emphasis to the acquisition and sharing of knowledge, continuous learning and the elimination of demarcations. Employees are expected to be flexible and adaptable, and able to respond with increasing speed. And technology is seen as the deliverer of this capability.

However, as Rudy Ruggles (1998) points out, technology is only 25 per cent of the answer—the right processes and work organisation, and attention to people are the remaining 75 per cent of any effective knowledge management strategy.

To date, the emphasis has been on the storage and retrieval of data and information. This certainly is the absolute province of technology. The utilisation of the information, by translating it into knowledge, and ultimately wisdom, requires *people*. This necessity provides one of the greatest cross cultural learning challenges—having information technology (IT) people and people management specialists being able to understand each other, and work together.

Technology: The enabler, not the driver

Research undertaken by Cultural Imprints Pty Ltd (1994, 1996) demonstrated that Australians at least do not differentiate between the quality of the product or service and the quality of the relationship with the provider. We want high-tech and high-touch, as employees and customers. So, despite all of the high-tech solutions that might be available, it will be the nature and quality of the relationship which will be paramount.

In addition, knowledge is not beholden to hierarchy; in fact IT has the capacity to democratise knowledge. Whether this promise is realised is dependent on the values and assumptions that underpin the way in which systems are designed. Organisational design, and people management systems and processes, reflect the level of understanding about the ways in which people need to operate in order to achieve desired outcomes. They also reflect the values and assumptions that are made about people, particularly the level of trust.

It depends on your point of view . . .

Call centres are increasingly seen as a way of meeting the challenges of customer service in the era of speed and response—and availability 24 hours a day. The knowledge available to call centre operators, via sophisticated technology, means that in principle customers can get answers and decisions immediately. Call centres are seen as a source of employment, and geography no longer matters. In Australia, the governments of Tasmania and South Australia have invested heavily in the infrastructure to support call centres, to provide a source of employment given the demise of more traditional manufacturing and mining industries. These centres are seen as critical in the new customer relationship—doing business any time, anywhere. However, there is a potential downside.

The technology has sophisticated measuring and reporting capabilities, including the number of key strokes per minute, the number and duration of calls answered by an operator, time away from the console—and so on. For some operators in call centres, the experience is a more palatable version of the Tayloristic assembly line at the turn of the century, but nevertheless highly controlled, highly stressful, and totally lacking in the quality of working relationships. The phrase 'this call may be monitored for quality' which is used by some organisations seems to have more than a hint of 'big brother' and *1984* about it. Employees working in this environment tell of the level of pressure exerted on them, including huge electronic signs which indicate the number of 'calls waiting'. And so, while there may be customer service charters, and skills and training relating to customer relationships, the overwhelming value system remains one of lack of trust—and demands for quantity not quality. This can be exacerbated when the call centre is outsourced, and operators have minimal alignment with the organisation they are representing.

Telecommuting is another example where the application of the technology and the experience of telecommuters varies—not due to the technology, but to the values of the managers. Working from home, as a basis of providing flexibility to employers, and reduced costs to employees has long been advocated as making an important and valuable contribution to creating a better work environment. Additionally, there are those who see telecommuting has having a positive impact on the natural environment—reducing the numbers travelling, road congestion and so on. However, telecommuting and the use of mobile technology to maintain contact and productivity have also had significant negative effects on the quality of work life. Even Microsoft acknowledges the dilemma—even if their solution is yet another piece of software (see Box 5.1)!

Many managers, when asked about their concerns regarding telecommuting, rate as the most fundamental not being able to see whether or not the person is doing what they say they are—the classic concerns of control—and whether they as managers will retain their jobs given that these members of the workforce are managing themselves. In some organisations, policies regarding advance notice required for managers to visit people's homes have had to be developed—a mirror perhaps of union officials needing to have permission to visit a work site!

Box 5.1

8am 'In the ever decreasing space called peace and quiet, you contemplate the reason you came to work today. The past year has not been easy and this one is a repeat. And there's still New Year's Eve to look forward to. The company has taken to e-mail and now it is asking about e-commerce.'

Source: Advertisement for Microsoft Office 2000 in *Communiqué*, May 1999

What are employees seeking for their workplaces?

The Gallup organisation has undertaken extensive research over the past 25 years. An article by Harry Onsman identified the twelve core elements that attract and retain productive employees (Onsman, 1999). The twelve questions which the researchers believe are particularly important to the most productive and talented employees, although of little consequence to under-performing staff, were:

1 Do I know what is expected of me?
2 Do I have the materials and equipment that I need to do my work right?
3 At work, do I have the opportunity to do what I do best every day?
4 In the past seven days, have I received recognition or praise for good work?
5 Does my supervisor, or someone at work, care about me as a person?
6 Is there someone who encourages my development?
7 At work, do my opinions seem to count?
8 Does the mission of my company make me feel like my work is important?
9 Are my co-workers committed to doing quality work?
10 Do I have a best friend at work?
11 In the past six months have I talked with someone about my progress?
12 At work, have I had the opportunity to work and grow?

Most of these questions are directed to the quality of workplace relationships—and notice that pay did not make the list! In other words, while pay may be important for job satisfaction, it does not make the workplace a great place to be. High performing professional workers take it for granted that they will be well paid, or they will find another workplace.

The implications are clear. While issues such as pay and incentive schemes and other corporate-wide policies and strategies consume time and attention, the critical issue for the workplace in creating human sustainability rests with the experience of working relationships at the work group level.

The 1999 State of the Art and Practice survey, conducted by the Human Resource Planning Society (US), the Australian Human Resources Institute (AHRI) and others found that organisations were looking for 'missionaries—not mercenaries'. Yet, it could be argued, it is the recent practices of organisations in the search for competition and efficiency at all costs which have created the current cynicism, particularly in the generations following the baby boomers. For these generations their experience of the world means that they bring very different values and aspirations to work.

Why has loyalty declined?

Research undertaken by the Human Resource Institute (US) in 1997 identified the key factors that have contributed to the decline in loyalty among employees. The findings are hardly surprising; namely that restructuring (74 per cent), downsizing (63 per cent), re-engineering (48 per cent), and outsourcing (44 per cent) are the four most significant causes listed by participants in the survey. Some may wish to argue about what came first—the change in loyalty as a result of management behaviour or management behaviour changing due to changes in loyalty. It seems more important to acknowledge that the nature of the employment relationship, or psychological contract between employer and employed, has changed irrevocably.

Recent research from the Human Resource Institute (US), Hugh Mackay in Australia and Skandia Insurance (Sweden) demonstrates changes in values and assumptions in different generations of employees. These values emerge as a result of the way in which they have experienced the world as they have grown up. The boundaries for each of the generations under scrutiny vary, and should not be seen as absolute, and there are different titles given. For the purpose of our analysis it is the shifts over time that are important and that will have significant impact on developing human sustainability within organisations.

- Depression/war generation: These people have, to a significant extent, already left the workforce. They are, however, often involved in a wide range of volunteer work. Their formative years were dominated by the insecurities and uncertainties resulting from war, and the worldwide recession.

- Baby boomers: Born immediately post-Second World War, their numbers reflect the optimism of the time. They are strongly represented in the leadership structures of organisations.
- Generation X/options generation: This group have also been coined the 'me' generation. Hugh Mackay identifies the key behaviour of leaving as many options open as possible for as long as possible as a direct response to witnessing the impact of massive economic restructuring and downsizing. They have internalised the view that the only constant is change.
- Click and go: This title was coined by Leif Edvinsson of Skandia Insurance, with the subtitle 'born with a mouse in their hand'. Jay Jamrog, the US researcher, calls them the 'baby boomlets'. They are already making their presence felt in the world of communication technology.

The following tables draw on the work of all of the above.

Table 5.1 The generations

	Depression/war	Baby boomer	Generation 'X'/options generation	Click and go
Born	1927–45	1946—64	1965–83	1984–2002
Age in 2000	55–73	36–54	17–35	0–16
Age in 2010	65–83	46–64	27–45	8–26

Each generation has different values and expectations. Some of the differences are captured in the table below.

Table 5.2 Lifestyle characteristics

Depression/war	Baby boomer	Generation X	Click and go
Work hard Save money What is play?	Work hard Play hard Worry about money	Work hard if it doesn't interfere with play Save money	Good grades Make others pay Save money
I Like it It's OK	Should I really like it? What will others think?	I like it I don't care what you think	Who are you anyway? You're old
Buy a decent house	Buy the best house you can	Reclaim the inner city	I like living with my parents

These translate into very different values and expectations in the workplace.

Workplaces based on the values of the baby boomers do not necessarily attract and retain key staff from other generations. A recent survey

Table 5.3 Workplace characteristics

Depression	Baby boomer	Generation X	Click and go
Strong work ethic	Money/principles	Principles/satisfaction	There is no clear trend as yet
Independent but conventional	Care deeply what others think	Don't care what others think	Don't care what others think
Technically savvy	Technically challenged	Technically savvy	Technically sophisticated
Hoe to the end of the row	Work and family	Lifestyle first	Lifestyle first
Follow the leader	Lip service to mission	Care about mission	Must have a mission
Follow the leader	Want others to work with	Work best alone	Work best alone

Source: Jamrog, J. 1997 *The Generations at Work: Work Ethic, Loyalty and Attitudes*, Human Resource Planning Society Annual. Conference 'Business Issues: Get linked or get lost', 16–19 April, San Francisco

of Harvard graduates showed that the percentage that aspires to working for one of the Fortune 500 companies has plummeted. Large companies, successful in traditional terms, are not seen as sufficiently flexible, exciting and challenging (Jamrog, 1997).

Lead organisations are taking these shifts very seriously. Hewlett Packard employs social anthropologists in their research centre. Skandia Insurance and Financial Services (AFS) has a 'three generations policy'—any team concerned with developing new products and services or thinking about the future must have a minimum of three generations represented on it. IT companies in Silicon Valley are developing work environments significantly different to those we are used to, where 'Gen. X' employees come and go as they please, have all of the latest pieces of technology to use, the canteen consists of vending machines, and the focus is on delivering agreed outcomes. Individuals seek out assistance as and when they need to, to achieve their goals. Baby boomer managers are said to avoid the area!

The changing nature of employment relationships

Traditionally, employment contracts have been *relational*—based on an exchange of loyalty for job security and the possibility of promotion. More recently, the obsession with downsizing, restructuring, contracting and outsourcing has led to contracts which are *transactional*—short term financial relationships which result in low levels of emotional commitment.

What is emerging is the understanding that in this world, what is required is *relationship based contracts*, which have the following features:

- Shared vision, common purpose, learning relationships and common knowledge resources become the glue holding the enterprise together, and providing overall direction.
- Environments where people choose to add value to the large amounts of information available to them.
- Customisation of employment arrangements, where an individual has much greater scope to make decisions about the particular mix of money, time, immediate and deferred benefits wanted.
- Opportunities for continuous learning. The loyalty of people will be primarily to their knowledge networks, not any particular organisation or institution. Attracting and retaining key staff will require environments of challenge and learning which allow people to use and develop their knowledge networks.
- The boundaries of strategic purpose and intent provide space within which people have freedom to operate in their own preferred way.

A new era: the knowledge economy

> If learning is the main characteristic of social and economic change, then human capital information and decision making systems—the determinants of learning—become central to efforts to cope with change. The need to rethink the way we make choices about the utilisation and acquisition of human capital arises from the profound upheavals taking place in the nature of technology, wealth creation and employment (OECD 1996).

Knowledge based organisations

Knowledge based organisations are organisations for whom intangible assets—skill knowledge and information—are more valuable than tangible assets (plant and equipment). The most often quoted example is Microsoft where the share price bears no relationship to the balance sheet. Organisations of this kind will increasingly dominate the economy.

Leif Edvinsson (1997), Vice president of Intellectual Capital for Skandia AFS, has three operating principles that underpin the development of that organisation's intellectual capital balance sheet:

- the value of intellectual assets exceeds by many times the value of assets that appear on a traditional balance sheet
- intellectual capital is the raw material from which financial results are made
- managers must distinguish between human capital and structural capital—while human capital is the source of creativity and innovation, unless individual 'know how' is converted into products, processes and shared knowledge banks which become the property of the group, the quality and capability of individuals are not valuable.

In more recent times, it has been recognised that it is not just the so-called knowledge companies that need to pay attention to their intellectual capital—and to the ways in which value is created in the application of knowledge. A knowledge-based organisation can be established whenever the information being collected can be captured, shared and valued effectively. This means that mining and manufacturing companies can become knowledge-based, and use their intellectual capital to generate value.

Increasingly, there is attention directed to how it will be measured and reported. Stuart Hornery, Chairman of the Lend Lease Corporation, has said that 'the relevance of the balance sheet is less today than previously, and the importance of credible stories is increasing' (OECD, 1999).

Performance: measurement, management, reporting

> If the beginning of the next century will see the decisive breakthrough of the knowledge economy, it will be to a large extent the result of increasingly sophisticated ways of measuring human competence and other intangibles, and the harmonisation of these measures (OECD, 1999).

One of the ongoing and perplexing questions must surely be that if we know what we know, including how important people are, why don't we do things differently? If business leaders really believe that people are the most important asset, why is it that legislation is needed in areas such as equal employment opportunity, diversity and antidiscrimination? What are our business leaders responding to? And what, if anything, can be changed to shift the balance?

The weight of market forces in Australia and many other developed countries seems to have resulted in narrow measures of performance based on shareholder value, short term cost savings and competitive advantage. However, financial markets are starting to recognise the limitations of financial measures as an indicator of future performance, and new measures are emerging which focus on intangible assets, including customer capital, and structural capital. Stock exchanges, accountants, auditors, shareholders all have a strong interest in better indications of viability and sustainability than are offered by the traditional measure contained on a balance sheet. Practices, however, are slow to change.

Sustainable human resource management policies and practices

In his article, Arie de Gues (1997b) emphasises the shift that needs to take place in the values base of organisations that attempt to be sustainable. To aid human sustainability, people management strategies must:

- place commitment to people before assets
- respect innovation before devotion to policy
- understand that learning is a messy not an orderly process
- give people the space to develop ideas in an environment that gives some freedom from control.

This is supported by Peter Senge, the respected commentator and author on learning organisations.

> Top down leadership breeds fear, distrust, internal competition which is not commensurate with cooperation. In the future leadership will be distributed amongst diverse individuals and teams who share a responsibility for creating the organisation's future (Senge, 1997: 32).

Management should support this trend by supplying trust and respect, allowing flexible work hours and managing individual and team development and performance. Higher worker morale and loyalty will follow (this is the human sustainability challenge). In this type of organisation there will be a variety of conditions of employment, for example, employees, contractors, consultants, strategic partners.

Some of the shifts in workplace arrangements that are already evident include:

- Performance management systems are emerging that emphasise collective accountability for 'whole of organisation' performance replacing individual contracts; concern for outcomes is replacing a focus on inputs.
- 'Balanced scorecard' measures are being used to ensure that collective accountability and interdependence underpin working relationships and activities, and that expectations relating to the non-rational elements are explicit in the organisation's reporting systems and mechanisms.
- Cross functional teams are being created that include customers and suppliers working on real business issues and problems in real time—action learning/action research. Learning is provided 'just in time' as the team needs it rather than 'just in case'.
- There is a move toward communities of practice built around the core capabilities needed by the organisation. Communities of practice are groups of professionals focusing on a particular problem, issue or opportunity. They network informally to exchange ideas, skills and information to increase shared knowledge. They are fluid, flexible and cut through organisational boundaries.
- There is recognition that it is the quality of relationships which create the difficulties in contractual arrangements. Investing time in discussing the expectations for relationships and developing shared values can reduce litigation and contractual conflicts—resulting in values based contracts.

Delivering traditional human resource products and services

As with all aspects of an organisation, the human resource function is also being exhorted to be better, faster, and more responsive. The application of technology to many of the traditional roles and functions of human resource (HR) management practitioners is already extensive. As indicated above, the underlying paradigm is that managers and employees should be provided with the information and support necessary for them to make their own decisions, and to share in managing the employment relationship and working arrangements. If HR uses technology to increase the speed and quality of its people-related decision making, then HR can have a major impact on getting innovative products and services to the market with speed and efficiency.

'High-tech organisations' such as Intel and Sun Microsystems are exemplars of how technology can be used. The four emerging tenets of a high-tech HR strategy are:

- most HR work is no longer done face to face, but at a distance
- most traditional HR work is being shifted away from centralised HR managers to managers close to the employees and to employees themselves
- technology is the basic foundation of HR program design; it allows us to make more informed decisions, faster
- all HR programs must be continually improved (as a result they become difficult for competitors to copy)—attracting and retaining key talent is a competitive advantage (Sullivan, 1997; Jamrog, 1998).

The HR system is no longer just about processing information, but also about enabling the development of shared practices, and increasing the levels of autonomy and self-management of employees.

Employee services are increasingly available on intranets, and groupware. Already services include the following:

Table 5.4 Recruitment and selection

Online	Computer assisted
Video or text interviewing	Web page recruiting
Advertisements and job descriptions	Resume scanning and sorting
Application forms, applicant screening	Resume data bases
Internal job posting	Redeployment systems
Orientation	Internal labour market supply, forecasting, analysis
Applicant skill testing	Recruitment effectiveness tracking
Search capability for managers seeking applicants	

Table 5.5 Employee relations

Online	Computer assisted
Expert systems to advise managers	Trend analysis and identification of potential trouble spots
Documentation of events/incidents	Affirmative action/EEO analysis and plans
Performance appraisal systems	
360 degree feedback	
Instant and/or random employee/climate surveys	
Forums, bulletin boards	
Q and A sessions with CEO	
Exit interviews	

Table 5.6 Reward and recognition

Online	Computer assisted
Salary surveys	'At risk' calculations and measures
Paperless approval systems	Pay equity analysis
Kiosk systems—employees can self-select, adjust	Job analysis forms and data analysis
HR call centres	
Benefits surveys and benchmarking	
International/national comparisons	

Table 5.7 Skill and career development

Online	Computer assisted
Self-paced skill modules	Mentoring applications and placements
List servers and newsgroups as learning forums	Just in time course development and delivery
Learning needs assessment	
Video conferencing for information exchange	
Career development and advice	
Knowledge bank—articles, book summaries, speeches, graphics presentations etc.	
Groupware for team communication and learning	

By using IT developments, strategic human resource management can contribute to both ecological and human sustainability, in particular by:

- managing remotely located people
- customisation of the employment relationship
- increasing self-sufficiency/self-management.

A warning . . .

Many of the systems and processes included in the new approach to human resource management are based on a value of increasing the capacity for individuals to exercise choice and self-management. This often assumes that employees already have the necessary skills, knowledge and confidence to do this. In fact, many do not.

When people do not have the capacity to cope with feelings of negativity, fear and helplessness, then systems which assume the ability to speak authentically and take responsibility for our own emotional health are irrelevant. Assuming that understanding and alignment is the responsibility of individuals rather than rethinking the organisation's demands and expectations may negate the intent for increased self-management.

Values and visions alone do not transform organisations. Too often, the gap perceived by employees between managerial rhetoric and organisational reality is so great that they become cynical and stressed. Designing elegant feedback systems and climate surveys will not be helpful—however quickly they may be administered and processed—if people do not have the skills to engage in direct, honest feedback, or a belief that feedback will be a learning rather than a punitive process.

There is a strong risk that the application of technologies obscures the fundamental and long held challenge—the quality of human relationships in work environments. It may well contribute to the people management process itself remaining, at its heart, a rational based approach, rather than addressing the real issues that will make meaning for people.

Ensuring sustainability

As the opening quotation from Will Schutz indicates, all of the glitter and glamour offered by new technology has the potential to obscure the real challenge for human sustainability—developing and sustaining effective relationships, and ensuring the psychological health and well-being of all stakeholders.

If we continue to manage and lead our organisations from the sole perspective of the 'rational' world of systems, structures, policies and procedures, the promises that the new technologies offer will not be realised. It would be history repeating itself, many previous transformational processes did not come to fruition—because of the lack of capability and commitment to developing and sustaining effective working relationships.

Alan Briskin (1998) suggests that the following questions be asked when considering issues of sustainability at an individual, organisational and societal level:

- *Individual emotional health and wellness:* Do I look forward to going to work, being at work, working with others? Do I bring enough of what makes me special to my work? Is there pride in what results from my work? Do I achieve some degree of balance between work and other areas of my life? Can I make choices about competing interests, and not feel guilty?
- *Organisational level questions*: How are power and authority distributed? How is compensation handled? Can we allow individuals and sub groups to act on behalf of the whole? Do our systems of compensation respect the different ways in which people contribute? Do we create a climate where our emotional lives and lives outside work matter?
- *At the societal level:* What is the net environmental impact of our business? What is the effect of our business on the community in which we operate? Would it matter to anyone other than ourselves if our product or service disappeared from the face of the earth?

Sustainable systems are living systems—whether human or ecological. They evolve in response to the questions that we are prepared to ask, the discussions and conversations we are prepared to have, the extent to which we really embrace inclusiveness and diversity. They cannot be copied from a notion of 'best practice models'; rather they must reflect the result of a collective exploration of identity, meaning and purpose.

While our environmental context is changing rapidly, providing additional and complex challenges in aligning people and business needs and outcomes, the foundation for human sustainability is the individual, team and organisational capability to develop and sustain effective working relationships. Given this base, the technology available can provide for mass customisation of meaningful workplace arrangements. Without this, employees may well choose to withhold their intellect, motivation and passion—and become mercenaries not missionaries.

Endnote

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6

Quality of work, home and community life

Jodie Benveniste

Introduction

> The essence of culture is not what is visible on the surface (Trompenaars and Hampden-Turner, 1997, p. 3).

We find ourselves at an interesting point in the history of the corporation. After 500 years of activity in the Western world and with the advent of post-industrialism and the information age, corporations face new challenges as the way people work and participate in the marketplace shifts focus and orientation. Many are heralding the rise of a knowledge and information economy as being as significant a change as the shift from agrarianism to industrialism. No longer ploughing fields, no longer turning out widgets, the industries of the future will increasingly be centred around providing services, either face-to-face or virtually. And service work is people-centred work. It is work that is powered by people *for* people. Economic might will no longer be associated with factories full of machinery. Instead wealth will flow primarily from brain power—the intellectual capital of the collective workforce.

Such changes require a new means of conceiving of and working with employees. The new questions to be answered are: How does an organisation harness the knowledge, skills and experience embodied in its workforce? How does the organisation attract and retain the right mix of people who can innovate, create and re-create so that the organisation remains competitive and relevant in a post-industrial landscape? These are the questions facing every organisation during the