Simplicity in complexity: capable people and capable organisations need each other

Stewart Hase
Southern Cross University

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**Abstract**

The common rhetoric these days is about the need for organisations and individuals to be more flexible and adaptive to deal with a turbulent and fast changing global environment. Concepts such as learning organisations and the knowledge nation have become a normal part of the day-to-day lexicon when we talk about economic deliverance and social reconstruction. We are keenly focussed on how to get smarter in what is loosely termed the VET sector. However, converting rhetoric into reality is harder than it looks. I discuss in this paper some interesting ideas that may provide a basis for a way forward. These are that: the tenets of Complexity Theory can really make an important contribution to the way we research and practice organisational and people development; our current approaches to organisational and people development are simplistic; one reason for this simplicity is that there is a need for a convergence of capable people and capable organisations because one without the other does not work; most problems with innovation in learning in the workplace are systemic not technical; and we are still dreadfully poor at creating really functional workplaces. I provide some suggestions at how these issues might be addressed.

**A Convergence of Ideas**

This paper was provoked by my good fortune recently to become involved with an organization and the people that work within it. I have been interested for some time in how it is we can develop and sustain people who are able to cope well in the world in which we live. A world that is not only turbulent but open to sudden and frequent change at any moment. A world of increasing uncertainty. It has bothered me, as it has bothered many others, that our educational systems (compulsory and non-compulsory), our approaches to management and our human resource development/management systems have been hopelessly inadequate (e.g. Emery, 1974; Karpin, 1996; Argyris and Schon, 1996).

One interesting approach to adaptation has been that of capable people and capable organisations. For the first time in my experience, which does not imply that others do not exist, I came across this organisation where I saw the convergence of: a responsiveness to the pressures that the current environment poses on an organisation; a capable organisation; and capable people. What follows is a description of these concepts.
Complexity

Recently I was asked to provide some assistance to an organization where employees were experiencing a high level of stress. At an initial meeting with the CEO he told me how he wanted me to deliver a few one-day stress management workshops for all staff. I told the CEO that he was wasting his money and that this was not the best solution to the problem. I told him that it was extremely unlikely that the workshops would change any behaviour and that we needed to address causes rather than symptoms. Instead I offered to come into his organization, work with staff and do some work redesign. The CEO was, in the end, unconvinced. It was too difficult and probably meant that he would have to be thoroughly involved. We went our separate ways. My wife recently went to a one-day workshop on managing difficult people where 500 people listened all day to a talking head in cramped conditions. And at $200 per head with no lunch. Would the reader like to guess at the likelihood of a change in behaviour in that case?

These sort of simplistic and half-hearted approaches to problems are common in organizations. Training solutions are proposed for systemic issues and when systemic issues are addressed the intervention is often incomplete. But my guess is that the reader can think of many similar occurrences in their experience. I’m starting to think that this situation is not sad, funny or tragic but in fact negligent. It is negligent because there is enough evidence out there about the importance of socio-technical design.

Globalisation and its sequelae have changed the nature of work and workplaces forever. There is no longer any certainty about one’s job, chosen career, place of work, abode, relationships and economic circumstances. Turbulence and rapid change characterise an environment that is dominated by economic forces beyond any individual’s and most organisations’ control. Complexity Theory (Waldrop, 1992) as part of post modern thinking has made clear the folly of relying excessively on prediction and the importance of being ready for sudden, unaccountable change at any moment.

Interestingly though we still emphasise the content, identifiable competency, outcomes, the quantifiable and the measurable. Modernism is alive and well. Rationalism in an increasingly irrational world. My interest lies in process because it is in process that lies flexibility and adaptation. The notion that we can give people rice or we can teach them to grow rice is an important aphorism. We can give people knowledge and skills or we can teach them to learn.

Capable People and Capable Organisations

The notion of Capability as conceptualised here was developed in the UK in the mid 1980s as a response to the need to improve the capacity of enterprises to compete in a shrinking marketplace.

This paradigm shift which focuses on the importance of people to an organisation’s well-being is not new and has been espoused by management theorists from Maslow
and Rogers through to Drucker, Handy and Peters. It is interesting, however, how slow we have been to move from ‘espoused theory’ of humanistic approaches to management and development to ‘theory in use’ (Argyris & Schon, 1997) and how we stick to old methods underpinned by control, anxiety and power. The idea of capability may provide an understandable, practical and visible framework for moving forward

Capability is one of the most recent models to challenge traditional concepts of learning and which looks at outcomes as well as process (Stephenson & Weil, 1992). Capable people are those who: know how to learn; are creative; have a high degree of self-efficacy; can apply competencies in novel as well as familiar situations; and work well with others.

According to Stephenson and Weil, 1992, p2):

> Capability is not just about skills and knowledge. Taking effective and appropriate action within unfamiliar and changing circumstances involves judgements, values, the self-confidence to take risks and a commitment to learn from the experience. Involving students in the decision which directly affect what they learn and how they learn it develops a sense of ownership and a high level of motivation.

Hase, Cairns and Malloch (1998, p9) in applying the concept to business, management and strategic intent claim that Capability can be defined in the following way:

> Capability is the confident and mindful application of both current and potential ability (competence and capacity) and values within varied and changing situations to formulate problems and actively work towards solutions as a self-managed learning process.

Competence is an essential ingredient of being capable. However, capable people and organisations are those that can operate effectively in unknown contexts and with new problems. The clear implication is that learning must occur. A key plank of the capability concept is that becoming capable requires different learning experiences from learning competencies. Learning how to learn, values and self-confidence, for example cannot be achieved using simplistic behavioural approaches (Hase, Cairns & Malloch, 1998). Competencies reflect skills and knowledge and have suited the need for a multiskilled workforce in a climate of doing more with less, downsizing, economic rationalism, turning a profit and reducing costs. Like the latter, they can be measured. While competencies are the basis for capability, they are insufficient for optimum human resource management and are part of the old pedagogical paradigm that fails to empower people to be learners and demonstrate elements of capability.

In comparison to competency, which involves the acquisition of knowledge and skills, capability is a holistic attribute. The following diagram illustrates the difference between competence and capability.
From Competence to Capability

Competence is a pre-requisite for capability which is an all round capacity to manage the unfamiliar, the unexpected and the turbulence of change.

Application of the capability concept has largely involved the creation of innovative learning experiences that help develop the elements of capability in individuals (Graves, 1993; Stephenson, 1994; and Stephenson & Weil, 1992) in both education settings and in the workplace. More recently, in Australia, we have been interested in not only how work based learning can develop capable people, but also how human resource management and development systems may also be designed to enable capability in everyday work (Cairns & Hase, 1996; Davis and Hase, 1999; Hase, 1998).

With this interest in mind Hase, Cairns & Malloch (1998) undertook a detailed case study analysis of ten Australian public and private sector organisations using a Grounded Theory approach and interviews with 79 people. They concluded that to develop capable people and capable organisations requires major paradigm shifts in the way in which management, education / training and workplace are conceptualised. In particular they argued that the capacity to learn is highly significant and along with Fiske and Taylor (1991), Fosnot (1996) and Hewitt (1997) believe that “people and organisations need to learn, to construct meaning from identifying and solving problems they face”.

The characteristics of a capable organisation identified in this study were:

1) Recognition by all levels of staff of the enormous complexity and ongoing nature of organisational change and development that affects all levels of the organisation. This recognition involves an appropriate commitment of time, energy and resources.

2) A CEO who unambiguously supports a vision of the future consistent with many of the elements of Capability. This support meant that resistance can be overcome and that innovators and ‘champions for change’ could thrive.

3) Skilled leaders (rather than ‘managers’) who have an excellent grasp of the ‘soft’ or people-oriented skills associated with leadership. This finding is consistent with other literature including the Karpin Report that suggests Australia needs to
improve leadership/management training. Leaders also have the capacity to manage the complexity of change and its effects on people.

4) Team based structures that enable people to be involved in decision making, have access to knowledge and information, and have responsibility for their own work.

5) Adequate reward systems that provide for the intrinsic and extrinsic needs of people. Intrinsic rewards are seen as being actively involved in decisions about work, having access to the right information, and training opportunities: these issues largely centre on feelings of empowerment. Extrinsic rewards, such as financial and other benefits are often articulated in an enterprise bargaining agreement.

6) Members of the organisation feel that individual elements (such as being valued and encouraging self-esteem) are embedded in the organisation's operations with a resultant perception of real empowerment (particularly in relation to learning control) being evident to all. People want to feel that their abilities are recognised and used.

7) Opportunities for multi-skilling provided by a commitment to the development of competencies.

8) A clear focus and commitment to learning.

9) Performance evaluation which is perceived by staff to be carried out clearly and equitably.

10) The provision of time and resources for staff learning and development.

The idea that given the right environment people can learn and be self-directed in the way learning is applied is not new and has been an important humanistic theme that can be followed through the philosopher Heider (Emery, 1974), phenomenology (Rogers, 1951), systems thinking (Emery and Trist, 1965), double loop and organisational learning (Argyris & Schon, 1996), andrology (Knowles, 1984), learner managed learning (Graves, 1993; Long, 1990), action learning (Kemmis & McTaggart, 1998), Capability (Stephenson, 1992), and work-based learning (Gattegno, 1996; Hase, 1998).

What is interesting is that despite this long pedigree, the post modern shift in thinking away from the rational and reductionism, and the logic of Complexity Theory the move towards more humanistic approaches to human resource management and development is slow.

A Living Example
As I mentioned at the beginning of this paper I was lucky to be able to conduct a case study of an organization that appeared to bring together many of the characteristics of capability. Observation, interviews and DISC profiles were the primary sources of data collection. The first thing that attracted me was the organizational structure. All of the ‘employees’ except for one person and the 2 owners were paid on a project or self-employed basis. Thus as projects came in project groups would come together and then disband on completion. This has been described by Limerick and Cunnington (1993) as collaborative individualism and is seen as a potential response to an increasingly globalised and changing world.

Other notable features of this organization were the care in selection of people, its high level of competency (it had to meet stringent requirements for accreditation), mindful reward systems, measurement of performance, vision and the working climate. The leadership was dynamic and depended greatly on relationship building and maintenance. This all made me think of it as a ‘relationship organisation’ rather than capable. On top of all this the organization was highly successful.

The individuals in the organization demonstrated the characteristics of capability described above, high emotional intelligence and a relationship orientation. Most ‘employees’ were high on affiliation needs with the exception of one person. The level of self-efficacy was very high, which probably accounted for the ability to deal with uncertainty.

However, it was the mix of capable people with an environment that enabled their capability that was the most striking. I can compare this with endless other organizations that are happy to casualise staff but which are unable to successfully manage the structure in the ways described above. The emphasis being fitness of purpose rather than fitness for purpose.

**Some Implications for Education and Training**

It is clear that education and training are not enough to develop both capable people and capable organizations as described in this paper. Rather learning needs to be integrated with cultural change so that they both occur hand in hand. Frequently training solutions are found for what are systemic problems. Convincing CEOs and others that there is a need to develop people and the organization simultaneously is a difficult process, which requires the frosted window to become suddenly clear: a paradigm shift to occur such are our habits in relation to education, training and work. There are endless anecdotes about the struggle to introduce learning and to change organizations from Semmler to Welch. Our own research has also demonstrated how tricky it can be.

In a recent paper (Hase and Kenyon, 2001) we tried to locate or define approaches to developing capable people and capable organizations by invoking the term heutagogy, which means approaches to self-determined learning. Based in humanistic and constructivist ideas heutagogy is meant to take into account the fact that learning takes place irrespective of the intention to create learning and that there is a critical difference between knowledge and learning. Heutagogy is concerned with helping people and organizations develop the elements of capability.
Approaches to enabling this integration of developing capable people and capable organisations have been around for some time and three that we have found useful are briefly mentioned below.

• Action Learning

Some companies with which we have been working have been prepared to use action learning sets as a means to developing staff. There is a strong self-evaluation and self-awareness component to these experiences which enables people to focus change. A commitment to this type of learning by the organisation has important cultural implications. Lester Davis and I have written elsewhere (Davis and Hase, 1998) about the positive effects of learning sets in terms of cultural change, work practices, safety and project completion.

• Coaching in the Workplace

Another approach to developing a learning workplace is by developing coaching skills among employees. In fact every person can become a coach and everyone a learner. The skills learned in coaching include components of emotional intelligence such as self-awareness, self-regulation, communication skills, empathy and appropriate values in relation to people development. In addition coaches learn ways to make the best of opportunistic learning through cognitive-behavioural approaches. Our experience so far is that coaching delivers more benefits than training as well as providing a basis for change in organisational culture.

• Work-based Learning

The benefits of work-based learning and learner managed learning are well known (Gattegno, 1996; Graves, 1993; Hase, 1998; Long, 1990). Like coaching work-based learning provides an opportunity for harnessing real-time learning. Again the potential for a shift in organisational culture is enhanced.

Organisations consist of people. Structures probably account for very little in affecting culture and even effectiveness. It is the capability of people and facilitating that capability that matters most. The environment in which organisations operate now is changing so rapidly that we can no longer simply rely on knowledge and skills. It is the wholistic attributes of capability that provide the adaptability required to function effectively. It is important to tailor learning approaches to develop these attributes.

References


