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Synopsis:

The new economy operates at the blistering pace of 'Internet time' in which three months is the same as a year in traditional companies in terms of the number of products launched, deals made and people being hired and trained. Speed counts and the ability to learn faster than the competition is often cited as the only sustainable competitive advantage.

Effective organizations possess four key elements: (1) knowledge sharing and knowledge generation, (2) a learning organization emphasis, (3) people-centered policies and practices that support 'spirit in the workplace', and (4) an e-learning strategy. These combined elements are directly linked to attracting and retaining workers.

This article describes a pronounced shift in workplace values that redefines the purpose of work itself, as well as how and where it is done. In the context of this shift in values, leaders are urged to recognize the noble promise that business contains: that everyone has the right to meaningful work. When this promise is fulfilled, people become engaged and contributing members and their organizations achieve a high level of effectiveness.

The Third in a Series of Articles Devoted to e-Learning as a Tool for Organizational Development

Organizational Effectiveness in the New Economy

Four Key Elements of Organizational Effectiveness

What's changed in our world over the past ten years since the emergence of the Internet? We now order groceries online; do our banking online; singles meet and date online; we watch movies online. The boundaries between work and life have blurred to the point where many work teams are now virtual with face-to-face interactions the exception rather than the rule. Consider these developments:

- 1 more than 8 million layoffs have taken place in the U.S. in the past ten years, disrupting thousands of families, careers and any sense of job security
- 2 a recent poll in the United Kingdom found that 80% of Human Resource professionals predict that hiring and developing "global talent" will be their top priority over the next five years
- 3 a recent survey of graduating American and Canadian MBAs showed that a large percentage vow never to let their work life take precedent over their personal family life
- 4 a Duke University survey showed that the "primary measures of success" have shifted from power, prestige and money to matters of the spirit such as meaningful work and bringing one's soul to work

What can we expect in organizations of the future? How can organizations best prepare themselves to achieve excellence in an age of impermanence? How can they attract and retain the best people?

Organizations that are weathering these turbulent times have certain things in common; they have adopted, or established as explicit goals, the integrated achievement of four related elements. The first is knowledge sharing and knowledge generation.



What is learning? Who is responsible for learning? What are the best conditions for learning? What where does leadership reside in an organization? What is learning? Who is responsible for learning?

In order for a company to prosper, it must recognize what it knows, measure and preserve what is most important among its knowledge assets, and widely distribute knowledge so that all employees in the organization can function fully informed. It must also successfully inspire change in people's behaviors so that they are more trusting and willing to share what they know; policies must reward sharing and encourage the spread of information.

The second is an explicit emphasis on learning that is top-down and bottom-up in the organization. Everyone is engaged in lifelong development, continuous improvement and a self-directed pursuit of personal excellence. The CEO leads the way by seizing every opportunity to talk about the importance of lifelong learning and to demonstrate his or her own commitment to learning. The learning culture is based on the belief that the organization cannot afford NOT to learn, and that it is everyone's responsibility to share what they know and shape what they share.

The third is developing and adhering to people-centered policies and practices that feed the human spirit. As Michael Hammer asserts in *Beyond Reengineering*, "it is thrilling to be part of a revolution that replaces meaningless work, petty bureaucracy and dead-end jobs with a workplace to which people enjoy coming, knowing that they will be challenged and appreciated." Spirit is not something that needs to be imported, either; it is already in the hearts, minds and souls of the individuals who come to work every day. It simply needs to be encouraged and supported.

The fourth is developing an e-learning strategy to leverage the power of the Internet to make self-directed learning available 24 hours a day, regardless of location. Coupled with stand-up instruction, effective organizations take a blended learning approach and capture the best of both worlds. Typically, a blended approach integrates mentoring, online instruction, shared real time and online discussion groups, and traditional classroom instruction.

The Changing Role of Leaders

These four elements are interdependent; for example, once the concept of becoming a "learning organization" is introduced, the dialogue necessarily shifts to include such questions as, "What is learning?" "Who is responsible for learning?", "What are the best conditions for learning?" and "Where does leadership reside in an organization?"

As these questions are addressed, it becomes clear that leadership resides in every single employee. Decision-making at the level of direct customer interaction depends on each employee feeling empowered enough to use their best judgement and make good decisions according to the circumstances. In essence, trust must be the foundation of the corporate culture because it is culture that is the trump card. It trumps everything else! It is the glass ceiling against which all organizations push to reach their highest level of performance. It is the key limit that must be overcome if innovation, risk taking and continuous learning are to be achieved.

Hence, CEOs and other members of the executive team must be willing to adopt a "servant leader" role that invites people to the table and is willing to listen to all of the voices at the table. This leadership style recognizes interdependence and uses influence and inspiration, rather than command and control. The new leader is a great storyteller whose philosophy is based on serving people in a special kind of stewardship. Caring and compassionate, with a highly developed sense of responsibility for the well-being and health of the organization and the individuals who work in it, they show respect for people. James Autry puts it this way in his book, *Love and Profit*, "Good management is largely a matter of love. Or if you're uncomfortable with that word, call it caring, because proper management involves caring for people, not manipulating them."

Turnover and the New Social Contract

A Gallup organization poll last year showed that the number one reason that people leave their jobs is not dissatisfaction with their pay-checks, but with their immediate supervisors. Unhappy people are four times more likely to leave their work than those with nice bosses. As Marcus Buckingham, senior consultant at Gallup, puts it, "People join companies and leave managers."

A related study by the Saratoga Institute drew the same conclusions by examining the values of "emergent" workers in five areas: loyalty, job change, career path, advancement and job security. Emergent workers are those who look at managing their careers as their own responsibility; they view regular and frequent job changing as a vehicle for career growth. Making contributions on the job is a demonstration of their 'loyalty' to the company. They view advancement as the natural outcome of overall job performance, not the reward for length of service. In fact, job security is no longer a driver of commitment. The reasons for turnover cited in the study reflect this shift in values: people leave because of a perceived lack of advancement and professional development opportunities.

What is most interesting about the study is that emergent workers are not Gen Xers: they range in age from early 20s to those nearing retirement. And while the numbers are about even between emergent and traditional workers right now, the gap is closing rapidly and within the next few years, emergent workers will be in the majority.

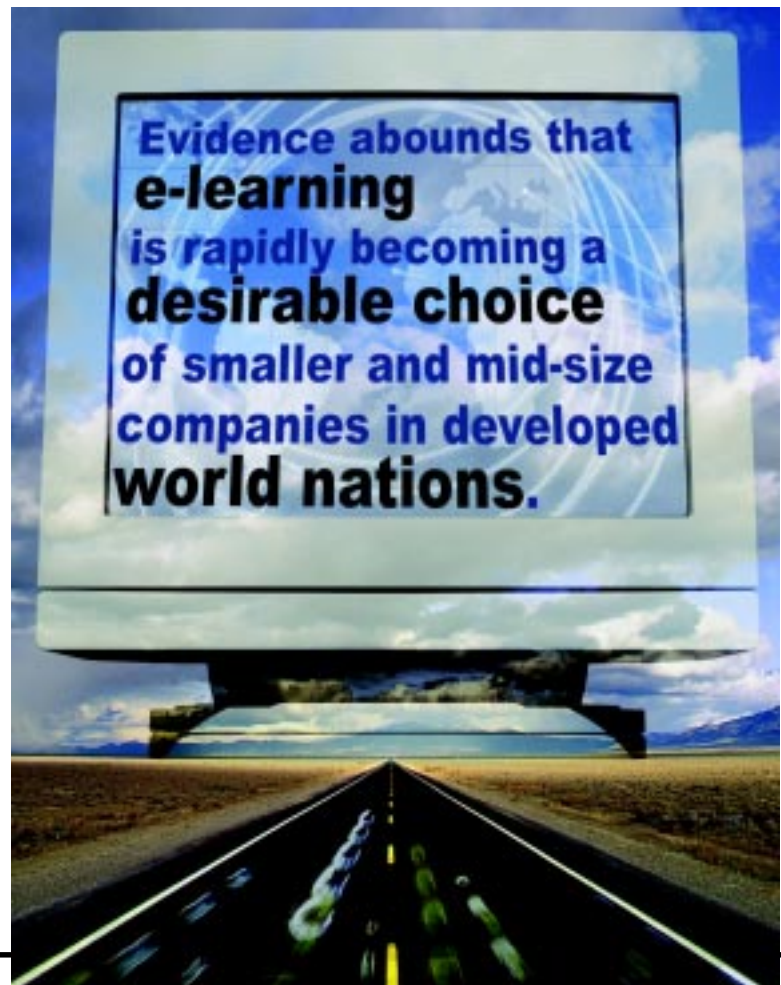
The Role of e-Learning in the Values Shift

There is no mistaking the trend: emergent workers expect to be developed and many are comfortable with technology. Compression of time, and blurring of work-life issues make e-learning and blended learning a necessity for corporate staff development programs. Evidence abounds that e-learning, initially adopted by primarily global companies, is rapidly becoming a desirable choice of smaller and mid-size companies in the developed world nations. A study done in the U.K. recently (June 2001) for example, found that each and every organization questioned were aware of e-learning, 46% have already adopted it, and of those yet to implement it, 59% plan to do so within the next two years. By 2004, if this happens as predicted, almost 80% of U.K. organizations will have an e-learning program in place.

A similar study by the Masie Center showed that 74% of surveyed organizations have or are already building a learning strategy, and that 60% of this group are building it at the enterprise level, not at the training department level.

E-learning is a tool for organizational development because it can

- help build a shared vision across time and geographic barriers
- create a shared common language and learning experience
- deliver consistent content 24 hours a day to align with corporate objectives
- provide executive development in the privacy of the executive office
- generate knowledge and help distribute it enterprise wide
- enhance a people-centered culture by fostering communities of practice
- open the organization to knowledge that strengthens the organizational capacity for learning and adaptation



Where do most organizations begin?

An Ernst & Young study in 1997 of European and American companies showed that 47% begin to shift the culture toward learning by building an Intranet, 33% develop knowledge repositories, 18% map employee expertise and 15% create new positions such as Chief Knowledge Officers. Finally, 24% create networks of knowledge workers through the development of such things as Employee Yellow Pages, for example, which allow employees to quickly and easily identify fellow employees with the expertise being sought when assembling project teams.

What kinds of course are most frequently taught online today? Sales and marketing, customer service, management and leadership development top the list. A likely future growth area is executive education. Given the associated expenses of sending execs away for on-campus experience, for example, many organizations will see the advantages of access, consistent content, and lower costs for the continuing education of their highest level staff. And executives will enjoy the privacy of learning online within the executive office, on a plane, or during those hours most convenient to their busy lifestyle and work responsibilities.

Recommended Reading

Love and Profit, James Autry
Competing for Talent, Nancy Ahlrichs
Free Agent Nation, Daniel Pink
The Future of Success, Robert Reich
The Knowledge Evolution, Verna Allee
Values Shift, John Izzo and Pam Withers

Summary

Organizational effectiveness is a philosophy before it is a strategy. Companies that succeed in attracting and retaining workers in the coming years will be those that have at their core a deep commitment to embracing the new workplace values, not just a commitment to a particular set of tactics. Practices and policies are important to attract workers, but without a firm philosophical foundation to serve as the 'true West' compass for the company, those same employees will go elsewhere when the ground shifts. Before any organization can begin to reshape its practices, it must first believe in creating an employee-centered culture.

The Gallup Organization developed twelve questions that can be a good self-assessment tool for any organization interested in evaluating its own employee-centeredness. Here's an adaptation of that list:

- Do our employees know what is expected of them at work?
- Do they have the right materials and equipment to do their work right?
- Do they have the opportunity to do their best every day?
- Have they received recognition or praise for doing good work in the past seven days?
- Do they feel cared about as a person by their supervisor or someone at work?
- Is there someone at work who encourages their development?
- Do their opinions count at work?
- Does the mission of our company make them feel that their job is important?
- Do employees feel that they have a best friend at work?
- In the past six months, has someone talked to them about their progress?
- Have they had opportunities to learn and grow in the past year?