

Human Performance Consulting: Transforming Human Potential into Productive Business Performance

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By James S. Pepitone

Chapter 6: New Perspective on Human Performance

In the early twentieth century, business owners and managers crafted their actions based on the principles asserted by Fayol and Taylor for designing work and organizations. These same principles then proliferated in the military and in civilian industry during World War II, firmly establishing “machine bureaucracy” as the accepted design for organizing and managing work. Then with the publishing of Drucker’s *Practice of Management* in 1954, management emerged as a discipline—a formal methodology detailing the means of obtaining economic results and dealing with the new and more- complex challenges of business organizations.

At that time, machine and electronic technologies, along with financial strength, were seen as the critical competitive resources. People were relegated to a role of adapting in required ways to support a company’s chosen technology.

Performance—the effective satisfaction of customer needs—was designed into machine processes and standard procedures and was not generally subject to human skill. Productivity—the efficient application of human effort—was achieved through work redesign and computer automation. Training—formal instruction to direct and correct workers and standardize their use of the proper skills, knowledge, and attitudes to perform their work—played an important role in controlling work processes and human behavior.

The New Work of Management

The development of a global economy, fueled by sophisticated information, communications, and transportation technologies, has changed organizations dramatically. Enterprises now depend primarily on knowledge workers, and the corresponding refinements in management practices have made management’s work increasingly complex.

Since the 1950s, management’s challenge has undergone considerable change. The emergence of global markets and competitors, information and communications technology, and very-large-scale organizations of well-educated and sophisticated employees, along with the increasingly refined discipline of management, has added significantly to the complexity of management’s work. In contrast to its early focus on the strategically planned achievement of objectives utilizing capital, labor, and natural resources, management is better characterized today as the systemic and purposeful application of specialized knowledge resources for maximum attainable performance and productivity.

Knowledge Is the Key Economic Resource

Today, knowledge is the key economic resource—not just any knowledge, but specialized and advanced knowledge that is capable of producing economic results, knowledge that proves its worth in financial value. Capital, labor, and natural resources have taken a back seat and can be obtained easily with knowledge and ingenuity.

The New Organization of Specialists

Accordingly, organizations have developed new structures and systems and have a new importance for management. Advancements in the technologies and practices for most kinds of

work have led to the development of organizations that now consist mostly of specialists—individuals who know more about their own specialty than anyone else in the organization does. Even factory workers, particularly in highly automated production operations, increasingly have more knowledge of their work than their supervisors do.

The organization can no longer be thought of simply as “labor” required to perform the work designed and directed by management. It has become management’s source of knowledge and principal transformer of knowledge into value. As predicted by Drucker as early as the 1950s, organizations must now be managed on the basis of responsibility, rather than “command and control,” because of this shift.

New Management Methods

The knowledge-based organization requires that everyone take responsibility for that organization’s objectives, contribution, and, indeed, behavior as well. Thus all members of the organization must think through their objectives and their contributions and then take responsibility for both. As mentioned earlier, Drucker pointed out that there are no “subordinates”; there are only “associates.”

Furthermore, in the knowledge-based organization all members have to be able to control their own work based on clear objectives and feedback concerning their results. All members must ask themselves: “What is the one major contribution to this organization and its mission I can make at this particular time?” In other words, all members must act as responsible decision makers. All members have to see themselves as “executives.”

If managers are to manage knowledge-based organizations, the practice of management must advance dramatically. Management’s challenge is to unlearn its traditional command-and-control methods that were appropriate for the unskilled and semiskilled work of machine organizations, in which knowledge was centralized in a few top executives. To manage today’s knowledge-based work effectively, management must learn how to successfully facilitate and support the achievement of maximum performance and productivity of diverse groups and individuals throughout the organization.

To deal with people issues, management has traditionally deflected much of this work to layers of supervision and to staff functions, such as industrial relations, human resources, organization development, and training. For machine labor and other highly standardized functions, the application of Taylor’s management principles has improved performance and productivity. For knowledge-based workers, however, these work-design principles have yielded only marginal gains in performance and have proven ineffective in increasing productivity.

The Central Challenge for Today’s Managers

Today, knowledge is the critical resource, and people are the source of value. With their unique capacity to perceive, reason, and make judgments, people provide companies with the means to generate, retain, and apply knowledge—people provide the capability to acquire and convert knowledge resources to value, and to innovate and substitute when specific knowledge is unavailable or insufficient.

Capitalizing on this potential throughout the past fifty years, companies have progressively standardized, systematized, and automated production operations to increase productivity—converting unskilled and semiskilled manual work into skilled technician work, and advancing labor roles to knowledge and service specialist roles, where they add greater value. Only recently has management begun to tap this same potential in technical, administrative, and service operations. Increasing the performance and productivity of these specialists is the central challenge facing management.

Rethinking People Management

Management can no longer afford to think of people simply as labor with which to operate a machine, staff a process, or perform a simple task. To be effective, management must rethink its approach to managing people and in particular must recognize the importance, discretionary nature, and greater potential for performance of knowledge-based specialists—people who generate and apply knowledge for results.

Today, with more than 80 percent of the workforce utilized in these professional roles, people have become a direct source of the creation of economic value . . . and potentially the source of competitive advantage as well.

Radical Changes Required

Making improvements in the performance and productivity of salespeople, engineers, nurses, service technicians, machine operators, administrative specialists, and other knowledge-based workers will not be easy. It will require radical changes in the structure and systems of organizations. Management must lead and support these changes and will need to enlist a savvy support staff to facilitate these initiatives.

These efforts will result in a more supportive workplace and a new premise for creating value. Removing the performance and productivity barriers indigenous to today's work designs will result in greater job satisfaction for knowledge specialists.

The Impact of Technology

Since the early 1970s, we have witnessed an unparalleled expansion of technological development, including information, communication, and transportation technology. These advances have transformed a world of parochial economies into an inextricably linked global marketplace.

New rules for corporate survival and competitive advantage emerged from this transformation, not the least of which was the requirement to continuously improve the quality of every aspect of work. Consequently, advancing technology fueled new performance requirements, along with new tools and more-sophisticated methods with which to meet these requirements.

These developments have increased the need for specialization and requisite knowledge for every organization function. Today, because managers can no longer know how to perform the jobs of their subordinates or be there to witness and control their behavior, it is necessary for organization members to exercise greater responsibility for their work and its value contribution to the enterprise.

Management of Knowledge and Service Specialists

Knowledge and service specialists are responsible for what they know and do not know, as well as what they need to know and do not need to know.

Management cannot possibly make these determinations for specialists; management can only be clear in its expectations regarding performance and productivity so specialists can ascertain their own needs. Whatever specialists do not know but need to know, they must be responsible for learning. Furthermore, they must also know what knowledge and services they can procure from others, and they need to work effectively across all boundaries, inside and outside the formal organization, to access the knowledge and other resources they require to carry out their responsibilities. Once again, management cannot govern these actions. Consistent with their responsibilities, these workers must bring together the requisite knowledge and service to create value.

High-Performance Work Design

Work design, first introduced in the context of high-performance work systems in Chapter 2, must be structured around knowledge—particularly its acquisition, maintenance, application, and regeneration—to support the innumerable knowledge and service specialists in today's

organizations whose roles consist fundamentally of the creation and application of knowledge. These organizations are flat in comparison with political hierarchies and are focused on business processes rather than on functions so as to maximize the flow and speed of knowledge transferred between specialists.

The goals of the organization—goals that clearly state objectives and expectations for all specialists—provide needed structure. And, with well-organized feedback, each organization member can exercise self-management by comparing outcomes with expectations. Management's role is necessarily redefined as providing needed leadership and support.

Support Requirements for Knowledge and Service Specialists

To maintain their competency, knowledge and service specialists must be persistently concerned with learning, focusing both on their specialist capabilities and challenges and on the objectives, practices, and immediate concerns of the enterprise at large. Specialists will also be accountable for increasingly higher levels of competency in the core work methods of the enterprise they serve, the level of authority they hold, and the exact role they fulfill.

Looking Ahead

Management has persisted throughout the past century in its attempts to apply a “machine” metaphor to organizations and human work. This perspective was effective initially, when work consisted primarily of support for machinery and machine-like production and logistics processes. However, this effectiveness has all but disappeared as the nature of work in developed economies has shifted almost totally to knowledge and service work.

The principles that govern the performance of knowledge and service work are not like the principles that govern the performance of machines and machine labor. Because the effectiveness of this new work is based on abilities that are essentially human, natural, and organic—occurring in people as elements of their basic human nature—the principles that govern performance and performance improvement are substantially different from those that were followed when work was more machine-like than human.

Management's methods for the design and improvement of human work continue to be based on the assumption that the worker's role is to adapt to machines and machine-like processes and procedures. Training, evaluation, reward, and other popular forms of management control are all based on the behavioral theories of Pavlov and Skinner, who portray people as simple stimulus-response machines. Their behaviorist theories presume that the key to understanding human behavior lies in the observation of external events. The environment is the significant factor in determining human behavior, and the consequences of our actions affect subsequent behavior.

Scientific understanding of human behavior has developed far beyond these early theories. Early knowledge-era theories (i.e., cognitivist) considered people as computer-like, rather than machine-like, because of the great capacity of the human brain to acquire, store, and recall information when required. Many in the information technology field still hold to this theory of people, which in part explains why computers have yet to deliver the anticipated productivity increases in people's work.

Since the 1970s, however, another understanding of people has emerged in “constructivist” theories that explain the larger human experience more accurately and completely. These theories recognize, for instance, that problem-solving is learning based on personal discovery, and that the source of motivation is intrinsic. Thus if people are to excel at problem-solving (i.e., knowledge and service work), they will require a responsive environment in which consideration has been given to the concept that people are active self-regulating systems. Teamwork, participation, leadership, and organizational learning are concepts that have benefited from this “constructivist” thinking.

All of these theories are accurate, yet their underlying assumptions define how they will be applied in the workplace. None fully explain human behavior in every context. However, as long as many managers remain unaware of these helpful perspectives and unfamiliar with the effective management and performance-improvement methods that have evolved from them, they will continue to use these methods in inappropriate, problematic, and counterproductive ways.

New perspectives on human performance must be considered if managers and organization specialists are to be effective in the improvement of performance and productivity—particularly for today’s organizations of knowledge and service workers. I outline these new perspectives in the chapters that follow.

Systems Thinking (Chapter 7)

One scientific discovery that, above all others, paves the way for performance-improvement effectiveness is general systems theory. The importance of this knowledge is not so much in the principles that guide its application, but simply in the new way of seeing things that it provides. This new viewpoint means setting aside many preconceived notions about how things work and how to best solve problems, in exchange for the ability to see the natural order and relational patterns that shape the workplace and the performance of people.

Rethinking Performance Improvement (Chapter 8)

The predominant methods utilized in pursuit of improvements to performance and productivity in organizations stem from a machine metaphor for human work and behaviorist (i.e., stimulus-response) and cognitivist (information-processing) perspectives of human work behavior. Though these concepts were proven incomplete, if not wholly inaccurate, as early as fifty years ago, they persist in the minds of many executives, managers, and organization specialists as fundamental concepts for working with people and organizations. If these beliefs could be tolerated when the roles of people in organizations were limited to parts in a production process, they cannot be tolerated now because more than 80 percent of the workforce is their means of producing value. The excessive operating costs of poor performance, low productivity, turnover, poor-quality work, and so on are excessive in most organizations. If it hasn’t worked yet, then let’s quit using it.

Humaneered Work Design (Chapter 9)

If industry and government are to tap the full performance potential inherent in people, then work must shift from a machine-centered to a people-centered design. At the present, “work-around” is the principal work function of most knowledge and service workers, because their jobs and organizations are engineered for machine efficiency. Only when this work is “humaneered” for human effectiveness will industry begin to realize the potential of these workers.

Assessing Performance Challenges (Chapter 10)

The complex nature of human performance requires that managers and consultants carefully consider the contributing factors that restrict current performance levels. Though scientific literature is replete with potentially helpful knowledge that consultants can use, it is virtually impossible to access for practical application. The consultant’s alternative is to make use of heuristics in the form of “frameworks” to focus their analysis. Several reliable and easy-to-use frameworks are discussed to provide examples of their use.

Improving Performance (Chapter 11)

Methods of performance improvement have changed dramatically in recent years, driven primarily by the dramatic shift of work to knowledge and service roles. Though training has contributed substantially to the development of the performance and productivity of production and logistics work throughout the twentieth century, it is not an effective method for improving the performance of most workers today. Rather than a single method to replace training, there are hundreds of appropriate methods for improving the performance of knowledge and service workers. The correct method is the one that provides workers with just what they say they need to improve their performance.

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