

The Synergistic Design of Organisational Learning

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Why do some organisations competing in the same sector far outperform their counterparts in the implementation of new technology assisted processes and high performance programs and cultures? How can we significantly improve the success rate of learning and performance programs when the failure rate of technology related change in organisations is so notoriously high?

Poor requirements, under-funded development or hasty implementation have beset the software industry for many years, undermining confidence in new systems related projects. Learning and performance have not escaped the poor results of technology related change and the low quality of much eLearning is testimony to that.

Redbean has previously identified three competing priorities or perspectives influencing any organisation alongside the people:

- The Business *-why?*
- The Purpose *-what?*
- The Technology *-how?*

Our research indicates that in addition to people, these three identified perspectives form multiple relationships whereby alterations to one will directly influence all others, creating either synergy or conflict. By evaluating any learning and performance program from these perspectives, we can identify the strengths and weaknesses of learning programs. The application of this 'synergy' through performance modeling provides a three stage framework to build capability, usability and ultimately, high performance within our teams, projects and organisations.

Synergistic Design

A business is an organisational entity established to carry out a particular purpose, usually for profit. The business/organisation utilises people, resources and technology to carry out its purpose. It is logical that the organisation will then shape their internal structures and processes around these components and purpose. The business element identifies opportunities or needs for applying a particular purpose (i.e.; banking, education, manufacturing), gathers resources (i.e.; capital, people, materials) then develops and applies technical processes and, increasingly, technology to provide either goods or services to that sector. Success is then defined in terms of profit, meeting chartered standards and objectives or other subjective criteria.

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New organisations tend to have enormous energy and resilience against setbacks providing the elements identified above work synergistically to quickly establish the business and achieve goals. The film and theatre industries thrive on such energy where numerous creative and specialist teams come together to rally behind an idea and create a piece of work that will be measured on its artistic merit as well as its economic return to investors. Start up companies follow a similar track, gathering informed people and providing them with the resources to

compete for and produce ideas, products, or services. Typically in these early startups, projects and ventures are usually successful due to a willingness to succeed, sufficient resourcing and the allure of doing something new. Occasionally, the outcome is failure however, this is typically due to a fundamental flaw in either the idea or its execution, prompting investors or participants to abandon the idea or at least the implementation of it.

In established organisations the initial 'honeymoon' energy has all but dissipated and the long term issues pertaining to running a business are well entrenched. The idea (product or service) must be kept fresh so that demand provides cash flow (either as revenue or funding) while it is imperative that costs be kept in check. Invariably, various elements in the business are too often competing for valuable time and resources to contribute to the organisation as a whole. Some consider the business services such as marketing, finance and management to be most important. The technologists argue that technology makes the biggest contribution to success and profit while the team involved in carrying out the purpose (bankers, educators or production team) consider their role as omnipotent within the organization.

Hence, each group within the organisation develops a unique perspective of the organisation, its goals and the best method for reaching them. This perspective is shaped and defined by their particular discipline, which has developed through their

education, working life and personal passions. In many cases, almost tribal traits can be assigned to the behaviour, interests and even dress of business people, teachers, engineers or technologists.

We believe that it is with this knowledge that we have the key to identify the critical contributing factors of successful, mediocre and failed organisations and/or the many programs they implement. The relationship between these perspectives forms a synergy wherein a change in one will typically affect the other perspectives and will either produce an improved outcome or conflict and failure.

Synergy is a desirable trait of any organisation or program whereby a team comes together to design, develop and deliver an outcome which meets or exceeds objectives. Synergy is manifested in the saying "the whole is greater than the sum of the parts". Why do some teams/programs/organisations excel while others in similar circumstances either under perform or fail entirely? We variously use terms like the 'right chemistry' or the 'X factor' to describe situations where everything just clicks. What if we could identify and isolate some of the key factors influencing the makeup of organisations and their programs and consider their relationships, synergies and conflicting elements?

McKey (2000) articulated three dominant perspectives and/or driving forces of educational institutions - commerce, pedagogy and technol-

ogy - and queried as to how each of these perspectives or forces could be satisfied as well as the accomplishment of the organisational charter. Success for each of these 'camps' was not always an easily agreed outcome. In fact it was often in conflict and counterproductive to the other groups' interests. Particularly in sectors such as education and especially higher education where the outcomes of the institution are often emotive, ideological and continuously being redefined through public debate.

What about the people?

What ties all of this together and is arguably the greatest influence upon any group and their activities is of course, the people. People not only own and affect the three key perspectives, they are also directly affected by both the individual perspectives and the sum of the parts. In early organisations the people component was reduced to management and labour. Modern organisations often spout terms such as "we are our people" (whether rhetoric or not).

When competing firms are provided with the equivalent business capability, purpose and processes it is invariably the people who will provide the difference in outcome - either a competitive advantage or a legacy. Venture capitalists funding 10 new ventures would bank on one or perhaps two successes, four to five outright failures and the rest classed as 'walking dead'. The people were regularly identified as the major variable for success or failure. (Birley, 1998) It is strikingly clear that the

recruitment and retention of the best available people is an important pursuit for any organisation. Kotter and Heskett (1992) demonstrated an empirical link between organisational culture and financial performance. With that end in mind learning and performance is increasingly being seen as a major contributor to the successful organisation or program through the increased performance of its people.

The Synergy Model Described

There are three identifiable dominant perspectives of any organisation: business, purpose and technology with the wild card being “people.” People are both affected by and affect the organisation or program.

We first model the three perspectives as a triangle to highlight the connections and possibility for both synergy and conflict. It is apparent that the policies and actions of one perspective have the ability to affect its neighbours, all with equal capability. This leads to a complex and dynamic set of relationships which any organisation must manage. The People component is then placed in the centre of the model to demonstrate its

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affect on all perspectives. They are always affected by the actions of any one element. These people are variously shareholders, customers, and staff. Figure 1 shows the graphic representation of Synergistic Design.

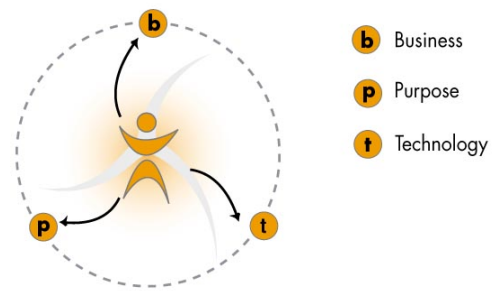


Figure 1: The synergy of business, purpose, technology and people.

Ours is a simple hypothesis. Just like the three legs of a stool, all three perspectives are critical for success. If one is shorter (less developed) than the others, or missing altogether, poor performance and/or failure will result.

Business (why?)

Critical to the design and in particular the scope of any organisation is the clear articulation of the business objectives and requirements, the metrics to allow us to know when they are met and agreement on the value they will bring the organisation when they are met.

The business is both the legal entity and the collection of functions which support its operation. These functions can be in-house or partially or wholly outsourced. Regardless, they will fall squarely into the responsibility of the business perspective and encompass such functions as management, finance, HR, marketing and responsible divisions etc. of the overall business.

Various business models exist both across and within industry sectors. These models have differing structures and strategies. Business strat-

egy in particular needs to be aware of the synergies afforded by the other perspectives. For example, how are our core purpose and business models affected if we change our distribution channel because of new technology? Will something such as a direct selling model cannibalise our current channels and perhaps ruin our smaller resellers? Is that what we want?

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So while business sets the agenda it must also remain responsive to changes in purpose, through improved process or market forces, and technology, through innovation and utilisation.

Purpose (what?)

The Purpose of any organisation relates directly to the sector, product or service which defines what it does. Bankers bank and bakers bake. Each satisfies a demand. Competitive advantage usually rests on satisfying that demand by doing it cheaper, better, faster. Each develops specific processes, services and products.

While business and technology are both fairly generic their application to a particular purpose is usually unique. Consequently, certain purposes require specific technology and business practices which have zero or limited use for any other purpose.

Technology (how?)

Once we have clear guidelines on what is required to satisfy the business needs we can now address the technology that is capable of deliver-

ing those needs. This is a well known science whereby people discuss technology innovations and design, operating systems and hosting regimes etc. The art of technology selection and implementation is less well known and includes the careful matching of the business procedures with the product and software design or application selection. The key is to ensure that the technology is playing an enabling role and not hindering the business procedures. Accurate scoping of the functionality of the system versus requirements is the guarantee to both estimating and containing costs and avoiding the ill-fated technology for technology's sake.

Innovations in technical processes are also important to consider. Technology can provide substantial competitive advantage by providing one or more of the better, cheaper, faster triumvirate. However, most organisations have neither the skills nor methods to evaluate and recognise poor technology thus leaving them to buy whatever the vendor is selling. The mismatch of technology to need is a major point of failure of technical implementation.

People (who?)

The people component is affected by all perspectives and thus equally affects all perspectives. Yet who is looking out for the people? Over the last 50 years there has been a shift in recognising people as an asset as opposed to a resource. People were treated as a fixed price commodity when manual skills were dominant and labour costs low. The informa-

tion age has reversed that outdated view and accompanying attitude and we now consider humans as capital instead of resources. One day we may consider them as people!

The human management disciplines have spread from the former, narrow personnel payroll view to now weaving throughout thirty disciplines concerned with some aspect of the recruitment, retention and improvement of people. Shareholder management, customer service and the myriad of HR services (such as remuneration, downsizing, learning and development) all recognise the new importance of people within parts of the organisation. In the insurance sector, for example which has for years been dominated by price, Roger Bell, CEO of Vero New Zealand, has recently been prompted to declare “we get our growth from the strength of our brand and better people” (2005).

Organisational change, business improvement or transformation, and performance management are all growth industries as organisations seek the ever-elusive competitive advantage.

What if we could design a positive synergy into the fabric of any organisation, program or project?

Synergistic Design is the process of improving an organisational outcome by actively seeking and encouraging synergy between the key perspectives of business, purpose,

technology and people. It has faint connections to other areas of research such as Activity Theory, community of practice and social networking (Nardi, Verenikina et al).

Venture capitalists and corporate raiders continually seek synergy by buying, dismantling, and rebuilding various companies by retaining assets and shedding inefficiencies. Reinventing our organisations provides ourselves the essential opportunity to continually improve. Many organisations just happen and grow. Others, such as our institutions, are prescribed then just innocuously amble along for many years, never blossoming and never withering.

It is not often that we get to completely reinvent our organisations. However, programs and projects within organisations are prime and worthy candidates for the application of synergistic design. In particular, those change programs that have an effect across the organisation such as new systems implementation, the introduction of learning and performance programs and certainly, modern initiatives such as the development of high-performance cultures.

These types of programs tend to have a low efficacy and high failure rate within organisations due to their complexity and breadth. It is often difficult to gain commitment from the different factions (budget fights abound) and detrimentally, the individual ideas of success are often

based upon self-preservation. For example, the technology group is continually told to lower costs while simultaneously being asked for more and more services from their 'clients'. The purpose must be free to innovate while maintaining efficiency. The business has competing demands from shareholders, customers and staff. Any new program has to work hard to provide a vision people will invest time and effort in. And the high rate of failure is self-fulfilling since, to use the words of Lowell George, participants always have "one foot on the platform and the other on the train" ("Rocket in my Pocket", 1977).

In the more dysfunctional organisations this tribal behaviour can lead to a competitive environment where ideological victory over the other camps is regarded more highly than success of the overall program. This is particularly prevalent in public institutions such as universities. While friendly rivalry within organisations is often encouraged it can become acutely destructive when it becomes competition for resources.

Managing Organisational Tension

Synergy on its own is simply an observable phenomena while synergistic design pertains to a process. The objective is that this process will produce improved results in organisational endeavours. Synergistic Design is highly effective as the process can emphasize the positive aspects while taking into account the divisive nature of organisations and therefore, work to eradicate it. The recognising and naming of dysfunc-

tional behaviour has been used in family therapy for many years. It is also a useful ploy for getting disparate groups in organisations to align their perspectives for the common good. Whether these elements are in synergy or in conflict, they are always in tension. Managing that tension could be a key success strategy.

Putting Synergy to work

Once synergy is identified and developed within a workgroup or organization it can then be applied in the building of what I term a Performance Model. Once again virtually any entity can be modeled for performance, from teams, to programs to the organisation as a whole. A Performance model has three layers of staged framework based upon building capability, usability and performance.

Business operations build capability across the entity. This is the foundation layer for any endeavour. Seats and desks, skills training, compliance, information systems, HR, business and specific purpose functions.

Business improvement provides access to, and useability of the underlying capability. This is where learning and development and other HR services have an important role to play in transferring capability into performance.

Business transformation pertains to performance. Synergistic entities utilizing all the capability to deliver outcomes which are greater than the sum of their parts.

Summary

Synergistic design is a process for evaluation, analysis and improvement of teams, programs and entire organisations. It is designed to engage and promote increased leverage of existing people and resources which are often working under a model based upon conflict and self-preservation.

As organisations move from traditional hierarchical management formations toward networked organisations they need to devote special attention to the effect of strategies in component parts. Along with key strategies we will also need to consider other measures like synergy management and key synergies. Knowing which synergies produce optimum results should also help us remove conflict and achieve organisational success.

Acknowledgements

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