MANAGING THE ORGANISATION AS A COMMUNITY OF CONTRIBUTORS

by

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ABOUT THE AUTHOR

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EXECUTIVE SUMMARY

Today's service and knowledge organisations, which employ around 80% of the Australian workforce, are no longer managed most effectively as hierarchies of full-time employees. As Charles Handy and many other writers have pointed out, today's (and tomorrow's) organisations are diverse communities comprising a mix of highly committed, core workers; flexibly employed casual and part-time workers; consultants, contractors, and business partners. Clients, themselves, now do some of the work in service organisations and must be "managed" as part of the community of contributors to corporate success. These different members of an organisation's community can have very different types of legal, economic and psychological relationships to the organisation and, therefore, to its goals and values.

This article proposes a classification of the different types of contributor in today's organisational community based on the *intended purpose* and *expected duration* of the relationship between a contributor and the organisation. It is argued that the classification can be used as a practical guide by managers at all levels in aligning their management and human resource practices with the characteristics of the different contributor relationships for which they are responsible. This should result in more realistic mutual expectations on the part of managers and contributors; greater contributor productivity; more flexible and appropriate career paths; reduced levels of workplace stress and alienation - and organisations that are more successful in attracting and keeping the best talent.

THE CHANGING ORGANISATIONAL PARADIGM

Sun Microsystems advertisements carry the rather cryptic and controversial slogan:

"The network is the computer".

This is apparently intended to stimulate potential information technology purchasers to adopt a new mindset in thinking about their computer systems. The "computer", according to Sun Microsystems, is best designed and managed as the totality of an organisation's PCs, mainframes, communications links, software, and peripheral devices. It is everything that contributes to getting the information processing job done.

Similarly, it is increasingly easy to argue that today's "organisation" <u>is</u> the totality of a diverse network of dedicated, career oriented core workers; fringe dwelling casuals, part-timers and consultants; business partners (e.g. suppliers, banks, joint venture partners); as well as customers/clients themselves who are increasingly being involved in the value adding activities of many service oriented organisations. This community of "contributors" to an organisation's success <u>is</u> the organisation and we will not design and manage it effectively if we constrain our mindset to see our "organisation" and our "human resources" as the, typically full-time, employees who appear on an organisation chart or even the slightly broader constituency who are represented on the regular payroll. This point has been emphasised by many recent management writers who have argued for a paradigm shift in the way that we think of and manage today's organisations; e.g. Atchison (1991), Bridges (1995), Hames (1994), Handy (1990), Kanter (1989), Kiechel (1993), Limerick and Cunnington (1993), Peters (1992), Ray and Rinzler (1993), Waterman et a. (1994), Hamel and Prahalad (1994), among others.

In describing the modern organisation as a community of "contributors", we are using the term "contributor" to mean *any individual or group that has the potential to materially affect the viability of the organisation or unit under consideration and the extent to which it achieves its stated goals.*

Charles Handy, in his internationally best-selling book, "The Age of Unreason", has described many of the reasons leading to the transformation taking place in Western organisations. Global competition, the need for increased flexibility and responsiveness to changing customer needs and competitor initiatives, the growth in service-oriented, knowledge-based industries, and the impact of new information processing technology are resulting in "not only a requirement for different people, but different organizations" (Handy 1990, p.41).

Handy describes modern organisations as increasingly resembling a shamrock (or clover) with three main "leaves", each representing a different type of contributor to organisational objectives; i.e. a <u>core</u> of full-time, hard-working, highly paid professionals, technicians and executives who "own the organizational knowledge which distinguishes that organization from its counterparts"; a <u>contractual fringe</u> of individuals and organisations who provide material and service inputs to the core; and a <u>flexible workforce</u> of part-time or temporary workers who are drawn upon when necessary to handle peak workloads. A key implication of Handy's model is that:

> "**Instead of one workforce there are now three, each with a different kind of commitment to the organization**, a different contractual arrangement, a different set of expectations. **They each have to be managed differently**" (Handy 1990, p.75, emphasis added).

I would add two more "leaves" to the organisational image painted by Handy. Firstly, consider the changing roles of customers/clients in today's service organisations. Handy, himself, considered adding customers as a possible fourth leaf in his "shamrock" organisational model because in many service businesses the customer is asked to do some of the work (e.g. filling in forms; monitoring service quality; or even serving themselves). However, he decided to exclude customers from his model of an organisation because "Customers...are not paid by the organization so this fourth leaf cannot exist as part of the formal structure of the shamrock" (Handy 1990, p.81).

It can, however, be argued that customers often are "paid" for the work that they do for an enterprise. For example, customers who pay their bills early may be given a discount; airline passengers who book and pay for their flights well in advance may be given cheaper fares; taxpayers who maintain adequate records of their expenditures may avoid extra tax liabilities or other penalties; customers who transact their business outside peak periods may be given discounts; fast food patrons who report deficiencies in service quality may be given their meal free; etc. Consequently, for many organisations, customers can arguably be included as an important contributor to the organisation's objectives. They will be particularly important in the case of enterprises providing a personal service of some kind. Several other writers have also advanced the notion that customers be managed as "human resources" in service organisations (e.g. Bowen 1986; Mills et al. 1983).

A fifth category of contributor to organisational objectives, one that is of increasing importance in many environmentally sensitive businesses, are what might be called the "social regulators". A broad definition of the proper work of an enterprise would include the tasks involved in monitoring the performance of the enterprise in meeting the needs of the community (as indeed the tasks involved in monitoring performance in relation to the needs of other stakeholders are accepted as part of the work of an enterprise). Consequently, government inspectors and community "watchdogs", etc should be considered as playing an important role as "contributors" to the modern enterprise. The government-employed pollution control inspector or safety inspector who collects information, sets standards and negotiates acceptable work methods is "contributing" to the long-term viability of the enterprise as an accepted member of the broader community and therefore should be considered as a separate category of contributor that must be effectively "managed". Certainly, a significant amount of management's time is taken up in dealing with the work of what we have called the social regulators.

Figure 1 summarises the five categories of "contributor" to today's organisations. The first three categories are those in Handy's shamrock model (with slight changes in name to more adequately reflect their function in the organisational community). The last two categories are as described above.

Tom Peters goes even further than Charles Handy in advocating the need to see today's organisations as loosely coupled networks, webs or lattices of individuals and groups:

> "The very idea of organizational borders with the 'outside world' becomes passé, or worse - dangerous. Thinking of the organization standing on its own is dysfunctional in today's strange, fast-moving, interlinked world" (Peters 1992, p. 149).

In Australia, the organisational transformation process described above can be seen in many organisations, including the following:

CSIRO: has "recruited" client representatives onto industry advisory groups that contribute to strategic planning and priority setting.

Moore Business Systems: in a partnership arrangement with Ford Australia, Moore handles Ford's business forms and printing requirements, including on-site purchasing.

Vocational Education: national funding policy for vocational education in Australia now recognises many "providers" or types of contributor; e.g. the traditional, core TAFE institution, consulting companies, training departments within enterprises, etc. Each of these types of contributor is a potential recipient of government funding for vocational training.

Taxation: the Australian Taxation Office has redesigned the roles of many of its full-time, employed assessors and "recruited" taxpayers themselves as self-assessors. Consequently, work that was once seen as being in the Office's core has been shifted, as a result of a strategic decision, to another type of contributor having another type of relationship with the core organisation.

Banking: banks have "outsourced" much of their routine transaction processing to customers using ATM technology.

The desirability of taking a broader view of today's organisation has also been reinforced in Australia by the Australian Quality Council when it defined its "People" category of assessment for the Australian Quality Awards as follows:

> " 'People' includes all people who are employed in any capacity, e.g. full-time, part-time, casual, contractors, **etc.**" (Australian Quality Awards Foundation, 1992, p.17, emphasis added).

A crucial challenge for managers is to determine what activities and which people are best placed in each "leaf" of the organisational shamrock and how these people and their work can be most effectively managed in contributing to organisational objectives. Handy (1990) recognised the importance of this challenge but did not provide guidelines for addressing it.

Understanding the different categories of contributor roles that exist in their part of the organisation and the roles that individuals and groups are most suited to at each stage in their careers/lives will be crucial for managers because we would expect people to work most productively when they are assigned, or enabled to choose, contributor roles and relationships that "fit" their career aspirations, personalities and lifestyles (Bridges 1995, O'Reilly 1994). Moreover, rewards, career paths, training, and performance management processes will need to be tailored differently for different types of contributor in order to reinforce the appropriate contributor relationship and to optimise performance (Bridges 1995).

Henry Mintzberg (1983) had offered guidelines for deciding when different combinations of the components in his earlier theory of organisational structure are appropriate. However, like many writers, he addressed the issue of building the organisation as a whole, thus leaving largely ignored

the more micro problems faced by managers who find themselves in a structure that they do not have the power to change.

Other writers have provided guidelines to strategic planners, top management and senior HR executives on how to integrate human resource policies and practices with business strategy (e.g. see Lengnick-Hall and Lengnick-Hall 1988; Miles and Snow 1984; Schuler 1988; Fombrun, Tichy and Devanna 1984). But none has provided practical guidelines that can be used by managers at any organisational level to more effectively recognise, understand and manage the diverse community of contributors they now must deal with. The challenge recognised by Handy has still not been addressed. This paper attempts to take up this unanswered challenge.

A final point on the subject of contributor roles: membership in contributor roles will typically overlap. For example, it is possible that a person who works as an accountant in enterprise A that provides contract payroll management services to another enterprise B can be part of B's contractual alliances while at the same time being part of the strategic core in A. Even from the perspective of a particular enterprise, a person or group may, for example, contribute simultaneously as customer, core employee and investor.

A PROPOSED CLASSIFICATION OF CONTRIBUTOR RELATIONSHIPS

While we may accept the face validity of Handy's view of the modern organisation (or its extended version outlined above), operationally oriented managers are unlikely to derive much practical value from the model until there is also a systematic framework that can help them to analyse the different work roles and relationships in their area of responsibility, decide what people best fit with each type of role, and select the HR and management practices that are likely to get the best performance out of each type of contributor.

The model introduced below proposes that contributor relationships can be classified along two main dimensions defined by the nature of the expectations held by managers in the strategic core of an enterprise as to the *primary contribution* to organisational objectives and the *duration* of the relationship to the strategic core. The model is intended to provide a useful tool for managers in analysing the nature of contributor roles and relationships in their organisation and in starting to systematically tailor and optimise their HR and management policies and practices to each type of relationship.

Dimension 1: The nature of the contributor's expected contribution to the enterprise:
i.e. is it primarily to meet existing performance standards or is the person expected to make a fuller commitment to the enterprise's mission, long-term objectives and values and psychologically "buy into" the never-ending process of **initiating** performance enhancements, adding value, initiating change and thereby enhancing the competitiveness of the enterprise in **either** its customer markets or in the sectors of the labour market in which it competes?

If the primary purpose of the relationship is to *maintain standards*, then we might expect the relationship to be a more commercial one where people work the hours they are paid and are not driven by personal commitment to organisational goals to give much discretionary effort (at least not to the particular enterprise in question). The focus of managers in the core organisation will be to ensure that performance of these contributors stays on standard and on budget. If performance

improvements are made that is a bonus but it is less likely to be the focus of concerted management action in the core.

On the other hand, if the primary purpose of the contributor relationship is to *enhance competitiveness*, then we might expect the relationship typically to be a professional or leadership one involving a rather open-ended commitment to the success of the enterprise and to the enhancement of the contributor's professional reputation. Because the challenge is to enhance the enterprises's competitiveness, it will be appropriate to devote more effort to communicating to these contributors the organisation's mission, strategy, environmental threats and opportunities. Rewards will appropriately be linked to the level of success of the enterprise. Ideas and communication across group boundaries should be encouraged. Reasoned risk-taking should also be encouraged and mistakes used as opportunities to learn.

Some readers might be tempted to argue that all contributors in their organisations are expected to enhance competitiveness and that therefore one end of this proposed first dimension of contributor relationships is irrelevant in today's highly competitive environment. However, Dimension 1 of our model focusses on the **primary** purpose of contributor roles and it is arguable that this is not always one of **initiating** enhancements in the organisation's competitiveness. Moreover, many of the lower level vocational competency standards developed in recent years by Industry Training Advisory Boards (ITABs) make it clear that the performance criteria are defined in terms of maintaining standards rather than directly initiating enhancements to organisational competitiveness (e.g. see Victorian Education Foundation et al. 1991).

Dimension 2:. The intended duration of the relationship between a contributor and the enterprise core:

i.e. is it intended to be relatively long term, either full-time or part-time, or is it envisaged to have a relatively short duration?

Long-term relationships will be expected where contributors are performing the everyday work of the organisation. Career planning (in the case of individual contributors) and business partnerships (in the case of organisational contributors) are likely to be relevant for these relationships. Roles can be negotiated and refined over time. There is a firm foundation for building mutual trust and teamwork. Longitudinal performance measures are appropriate and establishing processes to help people learn from experience is worthwhile. Subtle judgements can, with time, be made about these contributors' motivations, values, potential and loyalty.

On the other hand, *short-term relationships* will often be expected where workers augment or support the everyday work of the enterprise. Short-lived contributor relationships need to be more comprehensively negotiated up-front. Objective measures of outputs and actions are likely to be the most credible and reliable performance measures. As these workers are seen as "visitors" to the organisation (and may see themselves as such), they will be less likely to attach importance to understanding strategic plans or adhering to corporate values. Learning is more likely to be based on analysis of past experience rather than recent, shared experience.

Figure 2 combines the two dimensions of contributor relationship to form a conceptual model of contributor relationships. The assignment of roles in Figure 2 to each of the 4 quadrants of the model reflects the author's assessment of the primary contribution and duration of each role that is most likely to be expected by an enterprise's core managers. However, whether an individual manager or an individual contributor accurately **perceives** a particular role as having the characteristics of the relevant quadrant in Figure 2 is another matter and will influence not only the extent to which contributors and managers have realistic expectations of each other but also the appropriateness of management and HR policies and practices. For example, if a manager strives to get all of his/her staff committed to a program of continuous improvement, regardless of their relationship to the organisation (as defined by purpose and duration), then he/she may doom themselves to "failure". Conversely, if a temporary employee expects the organisation to invest heavily in their training and development or spend time helping them plan their career path then they are likely to be frustrated. In neither case is the expectation held by the manager/employee realistic and appropriate for the type of relationship that the person, in their current role, in fact has with the enterprise.

MANAGEMENT IMPLICATIONS OF THE CONTRIBUTOR RELATIONSHIP MODEL

The following sections examine some of the implications of the model presented in Figure 2 for management practice. To repeat and paraphrase Charles Handy: we are confronted with several workforces today that must all be managed differently.

1.   Implications for "Staffing" the Organisation

Elliott Jaques (1989) has argued strongly that different types of work relationship are appropriate to different types of contributors to enterprises. He emphasises the potential dangers of trying to graft the type of relationship that is appropriate to one type of contributor onto all contributors. Moreover, it is probably a mistake to assume that individuals will be best suited to any particular type of employment relationship (i.e. to any particular quadrant in our model) throughout their working lives.

The new generation of workers may wish to regularly readjust this balance as they get older, as their personal circumstances change, and as their self image and identity develop (e.g. see Dumaine 1994, Lobel and St. Clair 1992). For example, work and career success may be of paramount importance to young, single, tertiary educated professionals but be less important to a successful, financially comfortable person in their 40s who wants to become more involved in family or community activities or return to tertiary study to re-direct their career.

While the research has not yet been done that would confirm the characteristics of successful contributors in each of the four quadrants of the model in Figure 2, it is possible to make informed guesses as to the nature of some of these characteristics (see Figure 3). Figure 3 suggests some of the common characteristics of people who may be expected to seek each of the different types of contributor relationship with an enterprise and who are likely to perform most effectively in each type

of relationship. These characteristics may be used by managers and human resource professionals as guides to the design of appropriate selection criteria for roles having the different types of relationship to the organisation. **The criteria are relevant regardless of whether the individual or group in question is a permanent employee, a consultant, a customer, a supplier, etc.**

The Strategic Heart (Quadrant A)

People in this quadrant are expected to have a long term relationship to the core organisation and to actively contribute to organisational competitiveness. They possess the core competencies that underpin the organisation's strategically defined competitive edge. It is appropriate that they be self-starters who are internally driven to achieve the organisation's mission and objectives. While they will be expected to have good technical skills, it is likely to be more important that they have the flexibility and strong learning skills to quickly pick up new knowledge and skills, as part of their role to create opportunities and adapt to surprise external threats (cf. Peters 1992).

Appropriate criteria for selecting people to Quadrant A roles are likely to include:
{   shares the corporate values
{   personally committed to the organisation's mission
{   high achievement needs
{   strong learning competencies
{   flexible and adaptable; strong change management skills
{   good team player
{   physically and mentally fit; able to handle heavy workloads
{   attracted to a performance based-remuneration package

Operational Supports (Quadrant B)

These contributors to the core organisation's goals are expected to have long term relationships with the organisation where "good performance" is defined primarily in terms of maintaining standards, rather than directly enhancing competitiveness.

An example of people in a Quadrant B relationship with the core organisation is contract workers in the staff canteen. They may be physically located on the premises of the core organisation but may not feel psychologically part of that organisation. Moreover, they may not be invited to attend core company Christmas parties or Chief Executive announcements to core employees on annual performance results or new strategic initiatives. As long as they deliver healthy, inexpensive, tasty meals they will probably be seen by those in the core (client) organisation as performing successfully. Their involvement in continuous performance improvement processes in the core organisation is likely to be on a corporate-to-corporate basis as part of the periodic renegotiation of the contract governing the supply of employee meals and related services.

People attracted to jobs defined in terms of the characteristics of Quadrant B are likely to see work as a means of earning the money they need to satisfy important needs that are independent of the core organisation and its mission. Or, they may be working because they want pleasant social interaction with people they like.

Appropriate selection criteria for contributors in Quadrant B are likely to include:

- {   strong skills relevant to current job
- {   seeking job security
- {   moderate needs for achievement and for social interaction
- {   lives close to work
- {   strong service orientation
- {   loyal

Operational Reserves (Quadrant C)

Here the contribution is likely to be in the nature of "filling a gap" or covering a short term workload peak. The expectation is that existing performance standards will be met and that the relationship will only be a short-term, although possibly recurring, one. Appropriate selection criteria for these contributor roles are likely to include:

- {   sound technical competencies and relevant previous experience
- {   self-reliant
- {   relatively low needs for status and power; easygoing
- {   flexible and open minded
- {   practical; good "common sense"
- {   able to establish productive working relationship quickly

Strategic Supports (Quadrant D)

Contributors in Quadrant D are expected to have a relatively short-term relationship with the organisation but are expected to make a significant contribution to organisational competitiveness while they are there. They include many professional consultants and advisors. Relevant selection criteria are likely to include:

- {   strong, up-to-date technical skills and relevant previous experience
- {   ability to quickly establish productive working relationships with a diverse range of people
- {   personally committed to the organisation's mission and values
- {   self-reliant and self-disciplined
- {   open-minded, with good self-knowledge
- {   strong analytical and conceptual skills
- {   persuasive communicator
- {   high achievement needs

2.   Implications for Management Style - "Different Strokes for Different Folks"

Figure 4 proposes the beginnings of set of guidelines for effectively managing the individuals and contributor organisations that constitute today's organisation. These guidelines are put forward, at this stage, as tentative hypotheses that are based on the detailed analyses given above of the work roles and the parties that are likely to be suited to perform the roles associated with each of the four quadrants of our enterprise model. The guidelines are also broadly consistent with the author's 20 years of experience as a consultant to managers in a wide range of enterprises in the public, private and not-for-profit sectors. As with other aspects of the model, the validity and usefulness of the suggested management approaches in Figure 4 will hopefully be tested by practising managers and research scholars.

Figure 4 suggests that a participative, coaching and mentoring style of management is most appropriate for people in Quadrant A roles in the core of the organisation. This type of management style is necessary in order to foster the strong identification with corporate goals that is needed from people holding the organisation's unique competencies. Core workers are typically self-starting, creative, intelligent "doers" and the key management challenge is to point them in the organisation's chosen strategic direction (cf. Hamel and Prahalad 1994) and then provide them with the room and resources to get on with it. In many cases, the organisation will literally be created around the interests of the best of these workers and the products or services they create (Peters 1992).

Roles in Quadrant D are also expected to enhance the organisation's competitiveness but the duration of the contributor relationship is only expected to be short-term. This situation is suited to a negotiating, client-professional style of "management" as the contributor relationship will often be a contractual one involving a person or organisation having strong professional standards and ethics, making them largely self-managing.

Recent writers on how to manage professional, "knowledge" organisations (e.g. Peters 1992, Quinn 1992, Shapero 1985) have spelled out in more detail some of the management practices that are most appropriate for getting the best out of a professional workforce. While these writers were primarily focussed on the management of the core organisation, their ideas can be generalised to workers in other professional contributor relationships in Quadrants A and D.

A less emotionally demanding, more directive style of management may be more appropriate for roles in Quadrant B and even more so in Quadrant C where the expectations of the core organisation are that the individual or group will "simply" perform according to standards that are largely predetermined by specialists in the core organisation. The critical management challenge here is to establish and negotiate agreement to unambiguous, primarily quantitative performance targets and standards and to then monitor performance against these. Job related skill development should be encouraged among people in Quadrant B as these are expected to have a long-term relationship with the organisation. In Quadrant C, however, the emphasis should be on selecting people who already have the skills needed to get the (short-term) job done.

In the case of contributors in both Quadrants B and C, rewards (and financial rewards may not be the most important among these) should be closely tied to their maintaining agreed performance standards. In the case of short-term, Quadrant C contributors their contract with the core organisation should clearly specify the timing and conditions of their separation from the organisation. This will help to ensure that realistic expectations are formed and maintained on both sides.

Managers will create unnecessary frustration and stress for themselves, miss opportunities to stimulate discretionary effort from contributors, and/or waste valuable resources if they attempt to manage a member of their team with a style of management that is inappropriate either to the actual nature of the person's relationship to the organisation (see Figure 2) or that is inappropriate to that person's currently preferred type of relationship to the organisation. For example, as a consultant, I am constantly amazed at the way client organisations miss opportunities to engage the professionally open-ended interest of people like me (Quadrant D contributors) in the challenges facing them. In my 18 years as a consultant, I have only seen AGL invite its Quadrant D consultants to the "launch"

of a major new strategic initiative. It was an almost free way of strengthening our identification with their organisation, educating us about the organisation and stimulating our thinking about how we might contribute to its success in the future.

3.   Implications for Careers and Career Development

It still appears to be true that the careers of most contributors outside the core organisation are given little attention by human resource managers and line managers. For example, "careers" (perhaps they might better be called relationship development plans) of contractor-contributors or joint venture partners are not even considered a relevant HR issue by managers in the many core organisations with which I work as a consultant, even though many of these contributors may have long term relationships with the organisation.

A core organisation mindset is also clearly visible in the writings of career management theorists. Career development models such as those developed by Schein (1977) and Burack and Mathys (1980) typically link the organisation's needs to manage its staffing flows and skills inventory with the changing needs of individuals at various stages of their career/life cycles. In these models, both organisational and individual needs appropriately follow a kind of birth-growth-decline-renewal cycle. However, the models talk about managing flows of people "into and out of jobs" and "into and out of the organisation" with the implicit assumption being that career management refers to permanent employees of a (core) organisation.

More recent approaches to career management such as those of Sonnenfeld and Peiperl (1988) and Waterman et al. (1994), while linking career systems to business strategy and to the realities of a world where cradle-to-grave employment security with a single employer is no longer possible, still do not consider the impact of the nature of each contributor's relationship to the organisation. Consequently, their focus tends to be primarily on the (typically shrinking) core of today's network/lattice/web organisation.

Managers must not only establish contributor relationships on the basis of their analyses of the expected contribution and duration of work roles that they may <u>offer</u> to workers but also on a current and accurate understanding of the characteristics of the roles that people are prepared to actually <u>take on</u>, psychologically. For instance, it seems likely that a part-time bank teller who is planning on resigning in two year's time when she has paid off her housing loan; or a cleaning contract worker who has no aspirations to be anything else; or a 58 year old clerk who is looking forward to spending time with his new grand-daughter; or a 35 year old graduate who has just learned that her husband has cancer will all seek to establish very different psychological contracts or relationships with their employers than an ambitious, 30 year old, middle manager in the core of the organisation, with few external personal commitments.

Managers and HR practitioners must develop a process of dialogue, together with a corporate culture that legitimates having that dialogue, so that contributor relationships are mutually agreed. This agreement will, obviously, need to be renegotiated every time there is a significant shift in the circumstances of either the organisation or the individual contributor.

It will assist in creating and maintaining mutually agreed contributor relationships if we can develop new models of "careers", or the expected pathways along which contributor relationships will progress over time, with clear expectations as to which aspects of career development individuals are responsible for (e.g. keeping their skills up to date and their "employability" high) and which aspects the core organisation

will accept responsibility for (e.g. providing information about strategic direction and likely future skill requirements; offering specified development opportunities and resources; etc). Defining the contribution of the organisation to one's career development and to one's continuing employability will be a crucial part of the process of negotiating contracts between contributors and the core organisation. This will not only apply to people joining the organisation's full-time workforce. Even for those in contracting roles (including consultants like myself), the opportunities offered by a job for developing new or enhanced skills can be more explicitly taken into account in striking the price for their services. Many of us are already doing it informally and unilaterally.

Another important part of the challenge in developing new career systems based on the organisational model shown in Figure 2 will be to devise rules for the movement of positions and people from one quadrant to another; e.g. from an intended long-term relationship with the core organisation to a short-term one; or from a standard-maintaining role to a competitiveness- enhancing one. These decisions should be made and communicated through the organisation as part of the annual strategic planning and management process. The ongoing application of these rules for transition in contributor relationships will be guided by a range of considerations; e.g. profitable resource allocation (cf. Jacobs 1994); the interests and preferences of managers and employees; and the requirement to maintain a healthy balance between the work and non-work demands on the people in the organisation's community.

4.   Implications for Redefining Corporate Identity

Berg (1986, p. 558) has argued that "as the boundaries between organisation and environment become more diffuse and ambiguous (in terms of organisational membership, exchange relations, transactions, etc), there is also an increased need for a strong corporate identity...".

In the past, "the organisation" behind a business identity such as QANTAS, Westpac, IBM etc. was a relatively unambiguous reference to the people on the payroll of these organisations. The meaning given in corporate advertising and external communications was generally the same as the one shared by managers and employees within the organisation. People agreed on where the boundaries were, on who was on "the team", and what was meant by our "human resources". As emphasised throughout this paper, things are not so clear any more.

Organisation builders must, today, plan to draw psychological maps of the boundaries, connecting pathways, and salient features of their organisational communities and communicate these to each of their important stakeholders and contributors. It is likely that the future will be different from the past in that different maps will be drawn for different purposes. For example, senior executives may still wish to communicate to customers a view of the organisation as a homogeneous entity that works in a seamless manner to delight them. However, they may promote a disaggregated, multicultural view of the organisation to managers in the strategic core in order to heighten their awareness of the need to respect and value all contributors and to manage differently their diverse contributor roles and relationships.

SOME IMPLICATIONS FOR RESEARCHERS

Research work that could be undertaken to elaborate on the contributor relationship model presented here includes:

*   the development of standard instruments to objectively determine the location of positions and people in the four quadrants of the contributor relationship model presented in Figure 2;

* research to validate the characteristics that predispose people to perform most effectively in each quadrant of the model (this research would explore the tentative hypotheses sugggested in Figure 3);

* case studies of the mechanisms that facilitate movement of contributors between the different types of relationship with the organisational community;

* analyses of the links between organisational strategy and patterns of relationships within organisations; perhaps by building on the work of writers like Miles and Snow (1984) and Schuler (1988) who have developed models identifying the links between organisational strategy, desirable employee characteristics and human resource management practices.

It has been beyond the scope of this article to elaborate on the full strategic significance of the contributor relationship model shown in Figure 2. My main focus has been to draw out the implications of the model for HR practitioners and managers in their roles as team leaders. However, a couple of additional comments will hopefully suggest the potential to extend the model into the fields of marketing, supply, business partnership management; etc.

The role of the customer/client, for example, can vary depending upon the nature of the enterprise. Enterprises pursuing "relationship marketing" (such as banks, insurance companies, airlines, hotels, etc) will aim to locate their clients in Quadrant A of the model. In other words, managers in competitive service enterprises will strive to establish long term relationships with their clients and involve them in contributing to planning and monitoring processes in order to ensure that the enterprise's products and services are designed and delivered in ways that delight the market. On the other hand, companies with strong product brands are likely to have most of their customers in Quadrant B. Here, the challenge is to maintain a familiar brand experience (e.g. Coca-Cola, McDonalds) rather than making major product innovations.

Professional advisors/consultants, together with a variety of other providers of ad hoc advice or service (such as architects, lawyers, construction companies, trainers), are typically characterised by their short-term relationships with the core organisation and by the requirement that they contribute in some way to the enhanced competitiveness of the enterprise. If these Quadrant D people come to have frequently recurring contracts with an enterprise then management should consider managing them in the ways that are appropriate for Quadrant A (see Figure 4). If the consultant is engaged primarily to return the enterprise to standard, then it should be managed as a Quadrant C relationship.

A FINAL COMMENT

The model of enterprises presented in this article formally acknowledges that the dream of a workforce that is homogeneous in its commitment to corporate objectives and values is now simply an exercise in self-indulgent nostalgia. Today's market forces and social values make the modern enterprise much too complex for this homogeneity to occur (or even be desirable) across the entire contributor network. Moreover, writers such as Fox (1974) has argued that homogeneous worker

commitment to management's objectives is <u>never</u> possible in organisations where ownership and power are structured along traditional, hierarchical lines.

Certainly, a high level of commitment is important from those people in the strategic core and also from the other individuals and organisations located in Quadrant A of our enterprise model. However, usually it is strategically less important among workers in Quadrants B and D, and much less important in
Quadrant C.

However, the implicit assumption is still made by many managers that it should be possible for almost everyone contributing to an organisation's objectives to be motivated to make the psychological commitment that is perhaps only appropriate to expect from people who are members of the enterprise's core. This assumption is perhaps a remnant of the impact of early writings on corporate culture (Davis 1984, Deal and Kennedy 1982, Peters and Waterman 1982) with their emphasis on creating a strong (largely homogeneous) corporate culture.

Perhaps, as seems to be happening with Australia itself, it is time to relinquish our search for <u>a</u> national culture and embrace the <u>multi</u>cultural reality which may, in fact, define our uniqueness. The essence of a vibrant nation or organisation today may be that its culture is multifaceted - displaying a few core commonalities surrounded by a rich - and changing - diversity of hopes, dreams, values, skills and needs.

Modern organisations will start to be effectively managed when there is a an awareness among managers in the strategic core that terms such as "the organisation" and its "human resources" refer to the *whole community of contributors* to the organisation's objectives, not just the core "leaf" or sub-group of that community. This article has attempted to build on the conceptual leads given by writers such as Atchison (1991), Handy (1990), and Limerick and Cunnington (1993) by providing managers and human resource professionals with a practical framework for analysing work roles and relationships and tailoring HR and management practices to optimise the performance of the diverse community of contributors that <u>is</u> today's organisation.

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Figure 1

CONTRIBUTORS TO THE ORGANISATION

1:   **THE STRATEGIC CORE**

2:   **CONTRACTUAL ALLIANCES**

3:   **THE FLEXIBLE WORKFORCE**

4:   **CUSTOMERS/CLIENTS**

5:   **SOCIAL REGULATORS**

Figure 2

THE ENTERPRISE AS A COMMUNITY OF RELATIONSHIPS

**LONG-TERM
RELATIONSHIP**

QUADRANT B

CUSTOMERS/CLIENTS
- strong product brand

CONTRACTUAL ALLIANCES
- ancillary services
- long term investors

FLEXIBLE WORKFORCE
- part time service
delivery/operations;
many shiftworkers

SOCIAL REGULATORS
- govt. & community

M̶

STANDARDS

QUADRANT A

STRATEGIC CORE
- core competencies

FLEXIBLE WORKFORCE
- part time professionals

CONTRACTUAL ALLIANCES
- strategic suppliers
- joint venture partners

CUSTOMERS/CLIENTS
- service oriented enterprises

E̶N̶H̶A̶N̶C̶E̶

COMPETITIVENESS

FLEXIBLE WORKFORCE
- temporary service delivery

CONTRACTUAL ALLIANCES
- troubleshooting services

CUSTOMERS/CLIENTS
- commodity products

CUSTOMERS/CLIENTS
- dynamic product markets

CONTRACTUAL ALLIANCES
- specialist, professional
advisors
- project partners

**SHORT-TERM
RELATIONSHIP**

Figure 3

CONTRIBUTOR PROFILES

**LONG-TERM
RELATIONSHIP**

QUADRANT B
"Operational Supports"

Individuals in this quadrant
are bound to the enterprise
by common interest but do not
necessarily share its values
or long term aims. Pay,
good conditions and pleasant
 work colleagues are most
important to employees in this
quadrant. Their needs for
achievement and identity are
either limited or are primarily
satisfied outside the enterprise.

QUADRANT A
"Strategic Heart"

Individuals share the values of the
core organisation and possess the
knowledge, skills and competencies
that underlie the enterprise's driving
force and competitive edge. They are
motivated by being part of a mission
 that they personally regard as
important. They constantly strive to
learn and improve. They expect to be
well rewarded for the value they add
to the enterprise's success.

ENHANCE

STANDARDS

COMPETITIVENESS

These individuals are primarily
motivated by material gain or
social interaction in their
relationship with the enterprise.
They are typically not interested
in the aims of the enterprise
beyond the short term requirements
for their labour and the effect on
the quality of their experience
at work.

Employees in this quadrant are
primarily committed to their
profession or occupation rather
than to a particular enterprise.
The successful ones are
continuously updating their skills.
They value independence, variety and
the regard of their professional
peers.

QUADRANT C

"Operational Reserves"

QUADRANT D

"Strategic Supports"

**SHORT-TERM
RELATIONSHIP**

Figure 4

GUIDELINES FOR MANAGING THE 4 QUADRANTS

LONG-TERM
RELATIONSHIP

QUADRANT B
"Operational Supports"

A more directive style of
management is appropriate for
assigning tasks and in setting
performance targets and standards.
Recruitment should emphasise good
pay and conditions and a friendly
work environment. Communication
should emphasise matters affecting
their quality of life as well as
their performance against pre-
determined output standards. Pay
based on outputs and adherence to
standards is appropriate.

M
STANDARDS

A directive style of management is
generally appreciated by these
workers. Recruitment should
emphasise good material rewards,
including incentives to reach or
exceed standards. Communication
should focus on the expected work
work behaviour and outputs.
Performance should be regularly
monitored against assigned targets
and established standards. Pay is
appropriately based on hours, outputs
and quality standards.

QUADRANT A
"Strategic Heart"

A highly participative style of
management is essential for these
people. Recruitment should emphasise
opportunities to "make a difference"
in pursuing meaningful goals and values.
Foster creativity, ongoing learning and
and development. Rewards (both
financial and non-financial) must be
directly related to contribution to
goals and values. Skill-based pay is
also appropriate where it acts to
reinforce contributions to long-term
goals.

COMPETITIVENESS

A negotiating style of management
is appropriate with these well-educated
professionals. Recruitment should
emphasise the interesting nature
and visible importance of the challenges
to be tackled. Communication should
provide the strategic context of their
work as well as maintaining their
focus on the "bottom line" value of
their performance. Enhance the value
of their work among their professional
peers. Pay is likely to be based on skills
and "fit" with desired organisational
culture.

SHORT-TERM
RELATIONSHIP