

# Humane resources management, please

*Organisational thinking has been on a rational, logical plane; human action has been led by a different set of forces, including that indescribable but powerful factor called personality.*

WHEN it comes to people in organisations, managers all over the world seem to be grappling with very similar imponderables or problems. They may deal with these in different and, yet, fairly predictable ways.

The airport-bookstall management book is now a familiar recipe for all the ills of people in management situations. Some sell seven easy steps to *nirvana*, others a *mantra* or phrase that becomes an international buzzword. And yet everyone, even those peddling quick-fix solutions, know in their heart of hearts that something is missing. Even the authors abandon their best-selling formulas; and, as in the case of Champy and Hammer, they admit that their panacea (business process reengineering, in this case) has not been such a great success after all.

Why is this so? Why are there as many prescriptions as there are *gurus*? Why do seemingly so few produce lasting success or even client satisfaction? In the end, the answer may not be as esoteric as it seems. While all organisational thinking has been on a rational, logical plane, human action has been led by a different set of forces: besides sequential logic, use of knowledge and experience, nature and nurture, and that indescribable but powerful factor called personality or sense of the 'me'. As a result, all assumptions and theories supporting social and behavioural aspects (usually called the 'soft' or 'human side') of enterprise management are always incomplete and inexact. By its very nature, knowledge in the people field is limited.

There is more problem here, beyond the





somewhat obvious ways in which the behavioural science knowledge-base differs sharply from the hard sciences. And this is the essentially disruptive role of inter-personal competition. The great majority of commercial enterprises are designed as pyramids with slippery slopes to test the competitive ambitions of career managers. Peer rivalry is the underlying reality of most organisations, including the so-called not-for-profit sector. How can we expect highly educated, ego-driven executives with self-glorified images of strong, decisive and ambitious individuals to suddenly act in consent and harmony?

#### Scoring off rivals

Consider the background and upbringing of the typical young executive, wherever he or she may be in the world, from the Wall Street mode to the Silicon Valley mode. For 15 to 20 years, they have been fed on a diet of competitive achievement. Not just constant striving to vault over an ever-rising bar but doing it better, faster, smarter and more consistently than the others. By the time they arrive at the portals of the corporate world, they have seen a series of exams, grades, ranking, prizes and awards, all emphasising relative achievement. The scoring system *per se* is not at fault. Of course, all learning requires checks to determine how well the lessons have been absorbed. At the least, it is a feedback on how much more or better the learner could have performed. Few people are above the need for a reinforcement, an acknowledgement of their good performance. There is neither a sense

*A majority of commercial enterprises and even some non-profit organisations are designed as pyramids with slippery slopes to test the competitive ambitions of managers.*



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of rivalry nor comparison implied in mark-sheets. But the mark-sheets become a source of comparison, agony, frustration or pride whenever there is glorification of the rankings. Take, for instance, a class of 40 where one or two pupils are publicly declared to have stood head-and-shoulders above the rest. The system typically succeeds in inflating the egos of a couple of human beings at the cost of deflating 38 others. The latter react with distress, anxiety, frustration or plain resignation. Some will pump themselves up – especially those ranked near the top, say No.3 to No.5 – to try harder the next time and climb the few remaining steps of what is now clearly seen as a slippery slope. The vast majority resign themselves to being excluded from the select minority and resort to rationalising their disappointment in some form.

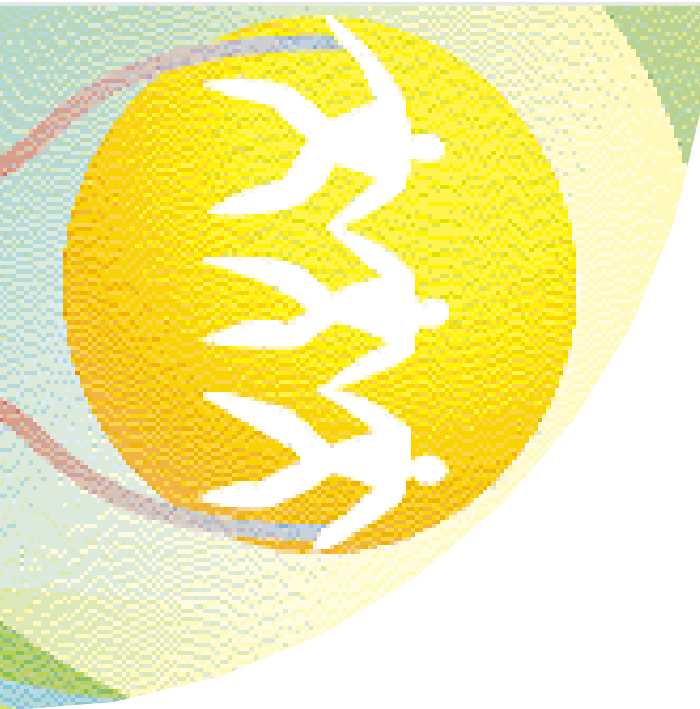
Raised thus through home, school, college and, perhaps, even professional training, it is no surprise that the average executive carries within him a deeply embedded feeling that success is for the few, and every activity is an inter-personal race for the coveted recognition. It follows, therefore, that every colleague is considered at best a rival who has to be surpassed. Implied in that statement, often, is the clause 'at any cost'.

Consider the popularity of 'curve grading' in many walks of life – school, profession or career – where one's performance *per se* is of little account. All that matters is one's distance from the midpoint of the distribution. As students often note ruefully, in some

subjects getting an 80 per cent score can only mean reaching a class average and a B grade while, in another subject, it could mean an A+ and a place in the top ten percentile points. A more drastic consequence of this relative grading process is seen in professional qualifications such as chartered accountancy where, reportedly, the percentage that will be declared passed is determined in advance. It therefore matters little that you have done well enough to receive a normal pass score. Similarly, some high-performing organisational cultures such as General Electric (GE) boast of eliminating the bottom 10 or 15 per cent every year.

### Surviving appraisals

Everyone faces the annual hurdle of performance appraisal based on a pre-determined distribution. For example, one in every six might be considered to have performed excellently, two very well, two satisfactorily and one (the bottom sixth of the ranking) would qualify for what is euphemistically called 'outplacement'. Fired, in other words. GE under Jack Welch is reported to have worked this way. The advantage claimed for this ruthless yearly elimination process is that it not only ensures everyone is scrambling for



recognition but also continuously raises the average level of performance. The damage to the morale, not to mention the personal lives and families of employees, is seldom mentioned.

And what of the survivors, the A and B graders who stay on successfully and keep running the race on a treadmill? They are the very people, the core resource or repertoire of competencies on which the organisation depends, who are expected to show an increasing ability to cooperate and work in teams and task forces! They are exhorted to be issue-centred and not person-focused, to link themselves to a larger purpose and a glorious corporate vision. Can the outcome of this paradoxical situation come as a surprise to anyone? No colleague can simultaneously be a rival and a collaborator. This anomaly creates extraordinary tensions and wreaks havoc on corporate work cultures as well as personal health.

Alternatively, everyone pays lip service to one set of beliefs on how human beings should actually behave and lives by an opposite set of assumptions. Organisational behaviour theorists such as Chris Argyris call this widespread phenomenon a gap between espoused theory and theory in action. In other words, an acceptable level

of hypocrisy becomes the norm. And HR specialists, trainers and management gurus continue to exhort CEOs and the top management to go in for a new set of practices to discover and empower the hidden talents of each organisation – ingenuity, resourcefulness and innovation which alone are the key to sustained performance in the high-speed industrial scene of today!

Why is there such illogic and contradiction in the way organisations need to be managed and how they actually are?

Even more important, why can't the best and the brightest, the gurus, the experts, the highly-paid consultants and professors see this obvious paradox? What stops them from seeing that they are, in trying to motivate so-called collaborative team playing, enshrining head-to-head rivalry as a street-smart way to survival, almost like stepping simultaneously on the gas and brake pedals of a cruising car?

To cap it all, the current prized wisdom is that even competition between organisations has to be redefined. In other words, dog-eat-dog competition driven by organisational hubris and ego is considered detrimental to collective survival. On the other hand, strategic alliances, cooptation, seamless organisations, virtual enterprises and shared outsourced resources have become the new *mantras*.

#### **Competition can hurt**

So, if ruthless competition is so



*If ruthless competition is so destructive externally, surely it is suicidal within the organisation.*

etc.  
RAVIKANTH



"He's a damn good management guru, yes! But the great thing about him is that he can read horoscopes too."

etc.  
RAVIKANTH



"I must appreciate the way they run the place. They encourage you every way to become a top dog."

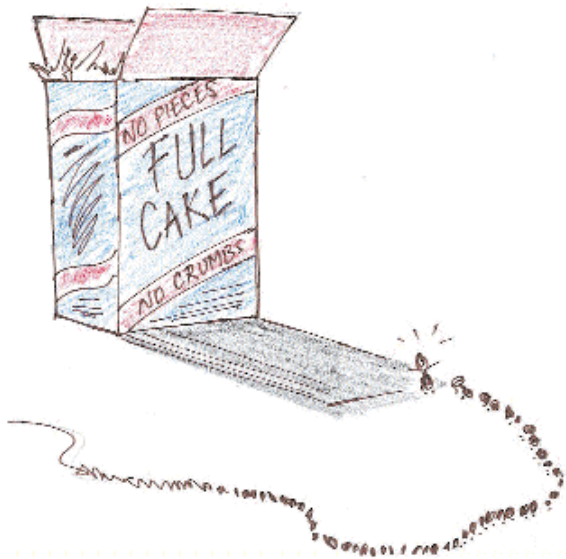
destructive externally, surely it is suicidal within the organisation? Yet, it does not look as though we have learnt to build a process-based, loosely structured horizontal organisation that will hold. This calls for reworking the very basis, the foundations of the so-called HR policies and practices.

This, in my view, is the true human challenge of 21st-century organisations. As we rush headlong into a rapidly evolving world of new rules of engagement and organisational relationships at the speed of thought or e-business or whatever hype phrase you choose, it seems very clear that some long-held assumptions about organisations must be dramatically changed. Or, better still,

flushed out of the system altogether so that a more humane alternative emerges.

There are glimmers already that such an alternative prescription is emerging. The pioneering work of Aries de Gues, a senior executive at Royal Dutch-Shell, suggests a new paradigm of organisations that have as much life and a "personality" as human beings and life-cycle as products in the marketplace. Ten years ago, Peter Senge synthesised this new thinking in his now famous work, *The Fifth Discipline*, where he propounded the notion that organisations learn through a new discipline called "team learning". He suggested that the reason why many problems of business remain

etc.  
RAVIKANTH



"Enough of team work and all that old balderdash.  
It's a race to the top and the winner takes all!"

etc.  
RAVIKANTH



"But for that peer appraisal business,  
all of us could've remained managers."

unresolved was not due to a flaw in information or processing capability, but a weakness in systemic thinking. He advocated methods of "thinking together" and dialogue, drawing from the work of the physicist David Bohm and philosopher J. Krishnamurti. These are discussed with great sensitivity and at length in a new book called *Dialogue* by William Issacs of Massachusetts Institute of Technology who has, for several years, been practising a more humanistic and holistic conflict resolution process with groups such as the United Auto Workers and Ford Motor Co. These are indeed encouraging signs. One must confess, however, that it would look ridiculous if such

a humane and integrated view of organisations has to be 'imported' before it can gain legitimacy among thinkers and practitioners of management in India!

Before we look at what the contrary view of human conduct within organisations is, we must first accept that the paradox described is very real and a potential threat to our survival. Without such a perception, any other prescription would be a hypothetical exercise and its acceptance will be one more example of an espoused theory – lip service without any intention to practise! ■

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