

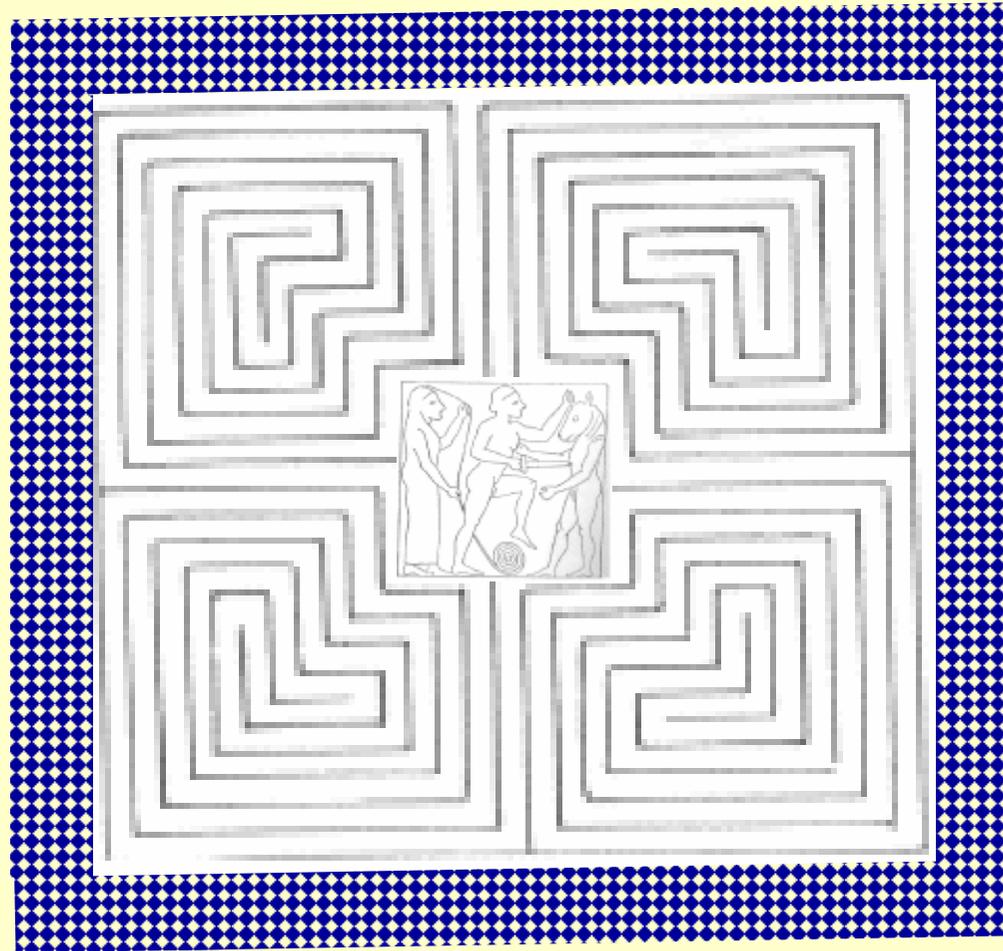
*Getting the Best from Knowledge Workers: How does
Human Resources Management contribute?*

Talk to RIETI BBL Seminar

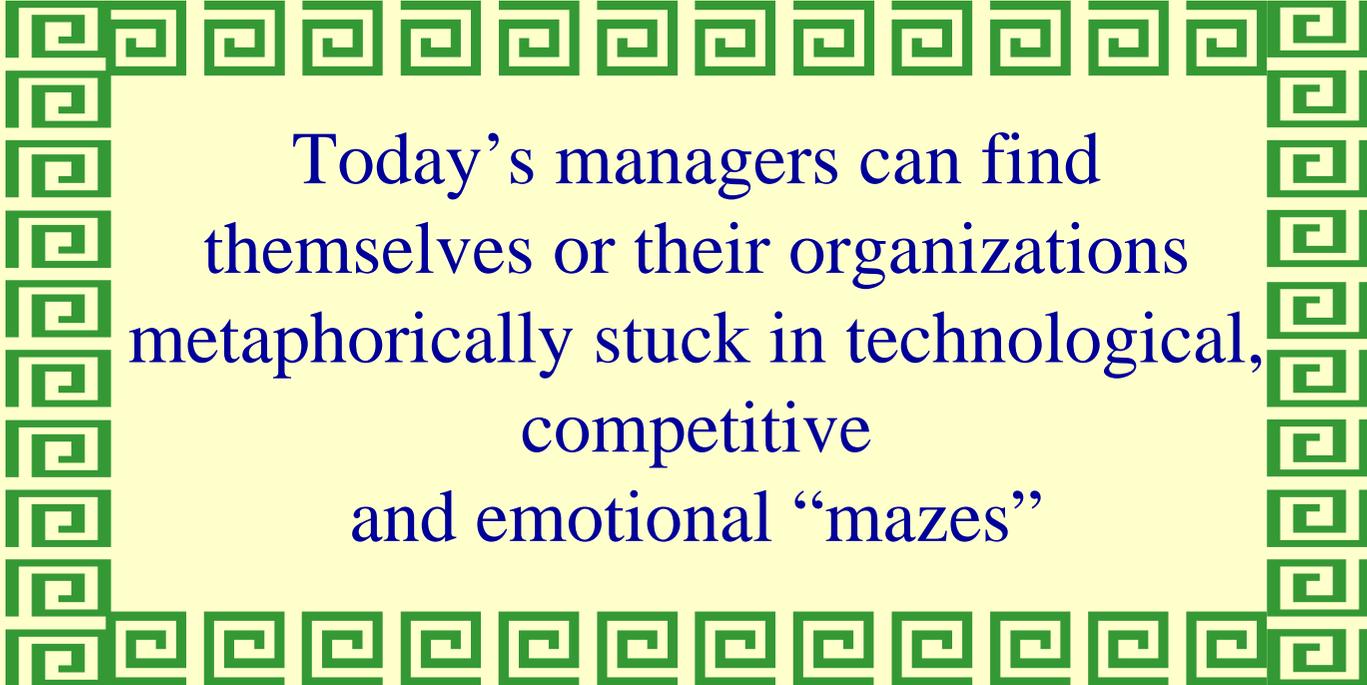
By Craig Marsh, Theseus Institute, France

8th November 2004

The Myth of THESEUS



At many levels the myth is still relevant
for modern business practice



Today's managers can find
themselves or their organizations
metaphorically stuck in technological,
competitive
and emotional “mazes”

The THESEUS mission

Working with Executives to:
*Redefine Management for the 'Information
Age'*

Outline Argument for my talk

- **Profound changes are occurring - in societal values, in the use of knowledge, and in the nature of employment; changes which are catalysed by technology**
- **These changes mean that standard ways of thinking about power and control, the nature of the relationship of employee with employer, and processes for managing people, are inadequate to meet the challenge**
- **Radical solutions are emerging which redefine leadership, revolutionise the organisation of people and turn the ‘servant’ into the ‘master’**



Angelo in Formis, c 1300



Masaccio, St Peter Enthroned, Santa Maria del Carmine, Florence, c 1425



Masaccio, St Peter Enthroned (Detail), Santa Maria del Carmine, Florence, c 1425

Origins of the Revolution

15th Century

- Trade
- Arab texts, classical art
- Art as catalyst
- Crises
- Man at the centre of the world

21st Century

- Globalisation
- Multiculturalism
- Technology as catalyst
- Crises
- Democratisation

Perhaps we are at the same point as Masaccio? Michaelangelo is still to come.

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A societal revolution is occurring – ‘democratisation’

- Creation of circumstances in which people can and will express their potential and individualism
- Protection from the arbitrary use of power
- Involvement of people in determining the conditions of their association
- Expansion of opportunity to develop own resources
- The ‘equalisation’ of status

...which is having a knock – on effect on the nature of the employment relationship

‘Relational’ Psychological Contract

- Security
- Loyalty and Commitment
- Company specific training
- Pay by seniority
- Job for life
- Regular promotion up the scale
- One – tracked career
- Carefully defined responsibilities

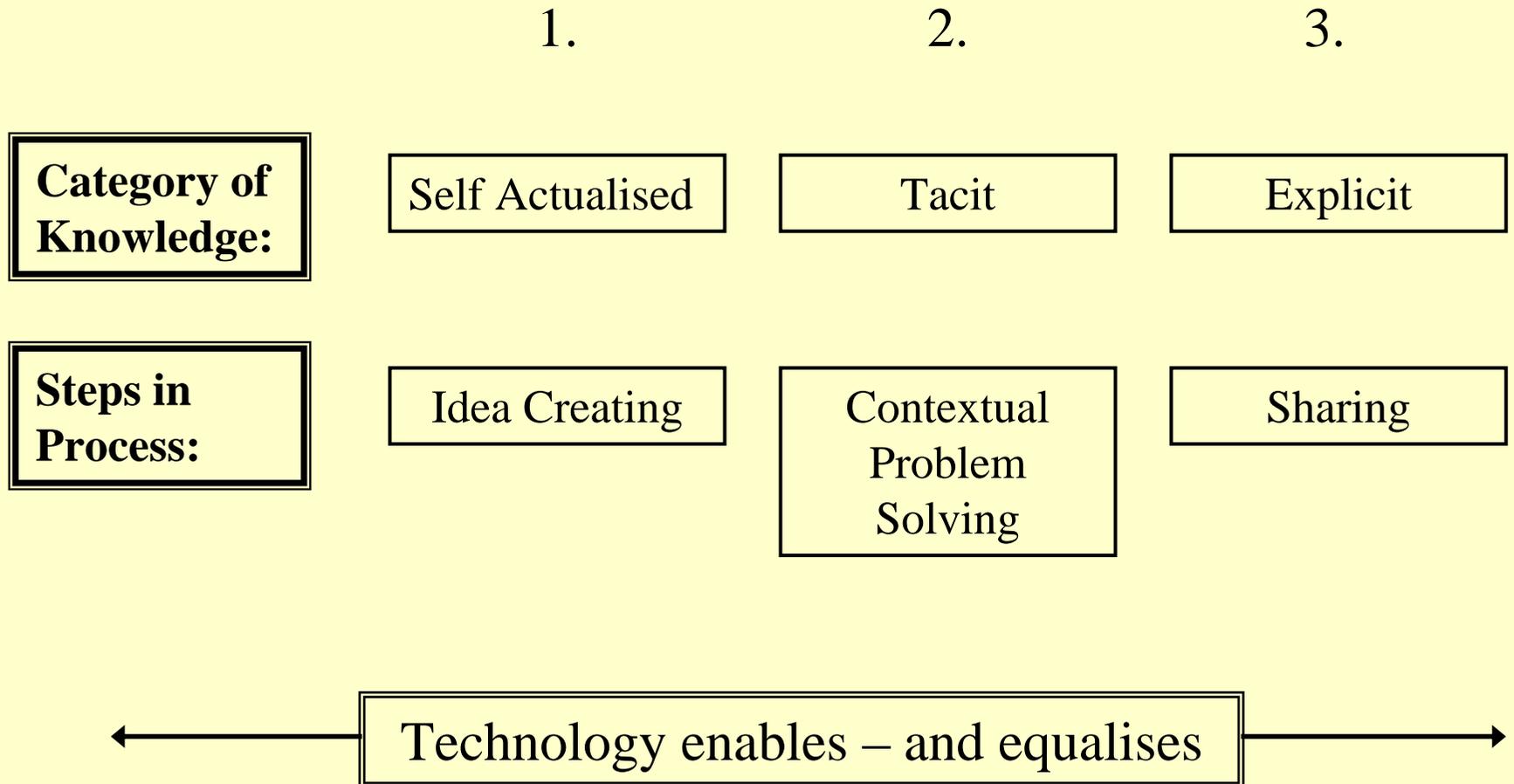
...It all used to be so clear!

‘Transactional’ Contract

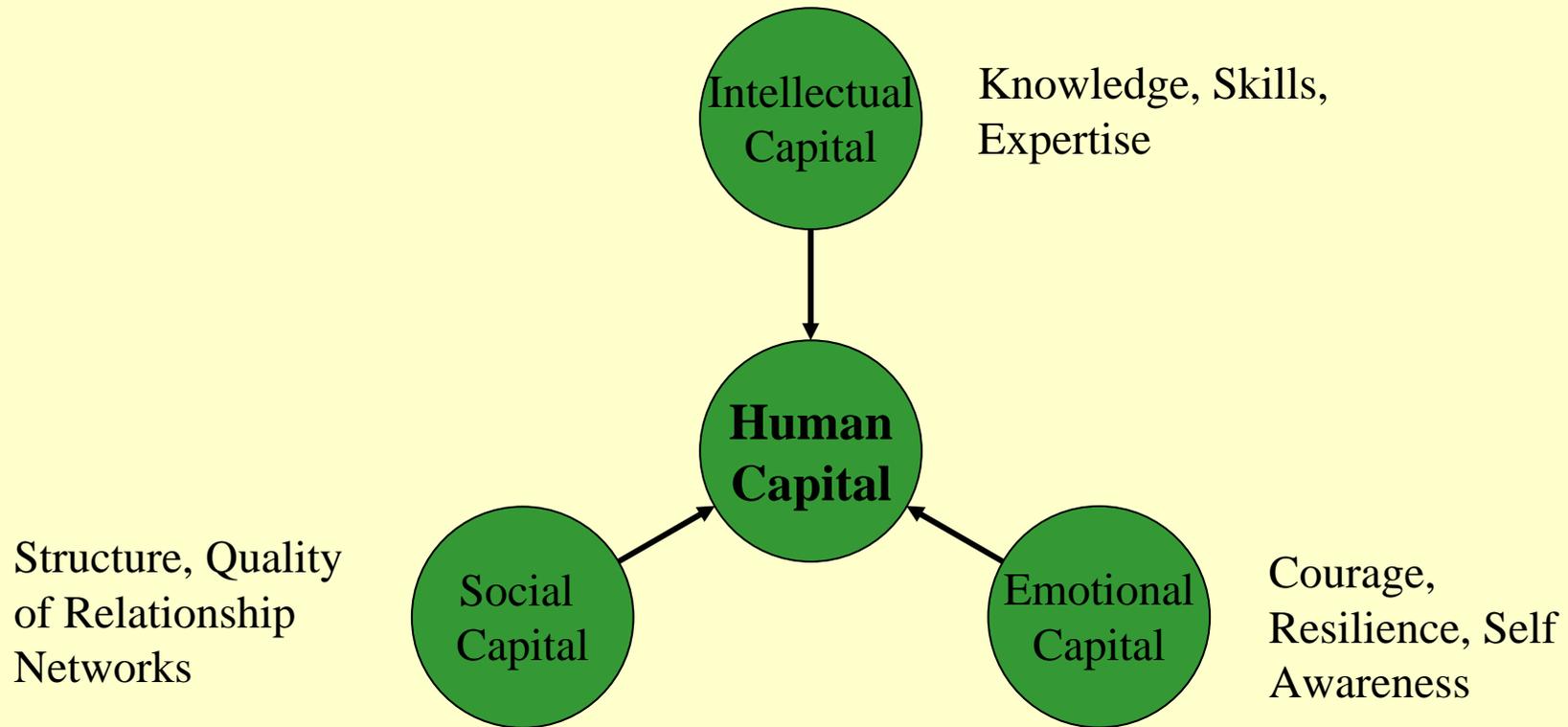
- Uncertainty
- Mercenary behaviour
- Self development
- Pay for performance
- ‘Employability’
- Movement in all directions
- Multi – point careers
- Competences

....But is it working this way?

The Nature of Knowledge Work means that for the most part it is unmeasurable and uncontrollable



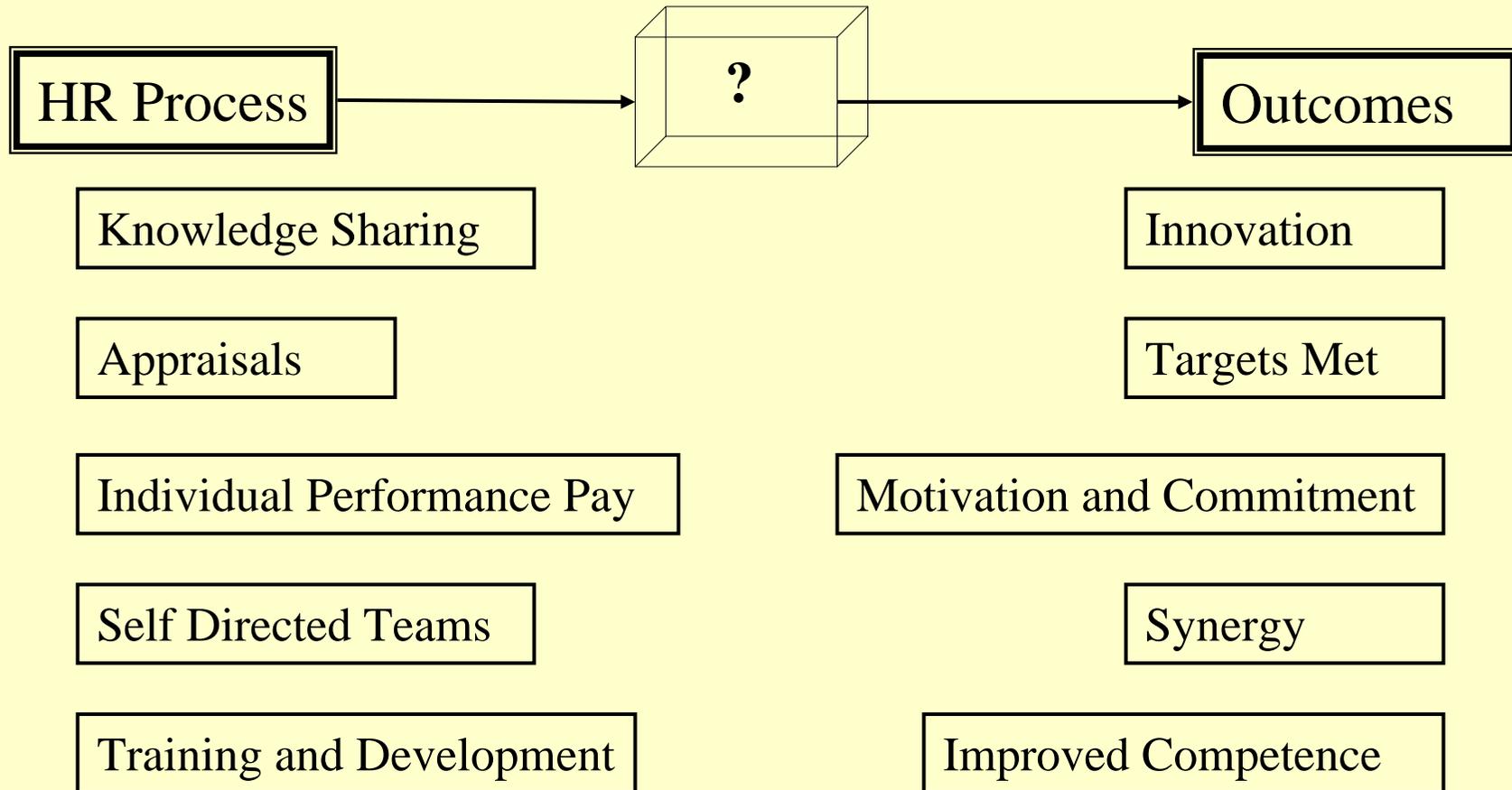
Knowledge Workers are the Organisation's Capital – and they have feet!



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The link between modern HR Processes and expected outcomes is unclear, and often fails to happen



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Radical organisations are reversing the underlying control dynamic
from 'push' to 'pull'

- **Behaviour - based Recruitment at Stonesoft**
- **Organisation Dialogue on Mission at Grunfos**
- **Market Dynamics for ideas at HP, and for targets at BP**
- **Reward Yourself at Semco**
- **Extremely devolved decisions at AES and St.Lukes**
- **Do it yourself projects at Oticon**
- **Equality of ownership at Mondragon – and Theseus!**

The nature of the revolution is as much about Leadership as it is about structure and process

- The critical importance of the first line manager
 - Use of discretion
 - The involvement of the knowledge workers in their fate
 - The manager as coach
- Leadership is as much about knowing when to stop, as when to intervene
- The route to power is to give it up
- Leaders are taking the psychological position of equals to those they are leading

Thank You!

Questions and Answers