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Reviews of timely articles and books for current and emerging thought leaders and senior executives by Robert H. Stambaugh, **bobstambaugh@earthlink.net**.

"The landscape of management: Creating the context for understanding social complexity"

By David Snowden and Peter Stanbridge
E:CO, Volume 6, Fall 2004

The authors, from the Cynefin Center for Organizational Complexity in the UK, tell us that complexity is a key component of management thinking, strategy development and knowledge management. They point out that complexity in the mathematical sense — the kind of complexity we usually imagine when we hear the term — is different from social complexity, where humans are key factors. The difference stems from the unpredictability of human behavior. Dealing with this difference, which we'll return to below, is important for HR systems professionals who want to focus quantifying and rationalizing programs and processes in their areas of responsbility.

The article's first topic is knowledge management (KM): it may appear to some observers as just another fad or hype-wave that didn't deliver everything it promised, but it has also exhibited exceptional staying power. That's largely because KM does address two primary 21C business drivers — innovation and enhanced decision-making. The real focus for our purposes is how to enlist KM as a way to address such myriad challenges of the global economy as:

- Knowledge as the primary 21C factor of production, replacing labor, machinery and monetary capital;
- Concentration of intangibles over tangibles, services over goods;
- Network use and expansion of coordinated action and collaboration;
- Digitization and ability to store, transfer and process huge loads of information;
- Virtualization and the blurring of boundaries between the "real" and the "imaginary;" and
- Speed: everything changes faster than before.

Each of these trends could be a discussion topic for an HRIS group meeting: for example, what do we track today — "things" or knowledge? How do we leverage network use and ride the wave of expansion? How can we make change an ally instead of a threat or a cost?

The authors introduce a model that helps their discussion of "management landscapes" with various concepts of rules and informal practices, order and disorder: it's beyond the scope of this review to discuss the model in detail, but it's an excellent foundation for thinking about various management fads and approaches, specially as they impact human systems — of which HRIS and its links are one example.

What's especially worth considering here is the authors' views about what makes a "human system" unique.

For one thing, humans make decisions based on patterns: when they're confronted with a problem, they "search" their experience for the first pattern that matches the problem and the kind of solution they're looking for. (Keep this in mind when you look at the review of "intuition" article below.) People will find a way to make the results of that search sound rational in whatever way is acceptable to the group of which they are a part. (Again, think about the range of "acceptable" decision-making criteria we employ today: they are all drawn from a very "engineered" portfolio.)

Second, humans create and maintain identities. In other words, we usually have multiple identities that come into play according to the context and groups in which we find ourselves, and they're not always logical or complementary. (Factor that into the role-based approaches to 21C HRIS.)

Third, we ascribe intentionality and cause where they aren't necessarily relevant. As the article states, "One of the key insights of social complexity is that some things just 'are' by virtue of multiple interactions over time and the concept of a single explanation, ascription of blame, or for that matter credit are not necessary." Put another way, "stuff happens." So elaborate strategies and requirements built around approaches like "best practice" may be largely built on a fragile foundation, since the exemplary organization you're using as a model got where it was partly by accident, partly because of unique people, practices and interactions with the environment.

Next, humans have learned how to structure their social interaction to create order. We use things like myth, taboos, stories, and rituals to make life orderly, even when it's not. Now, when we're operating in a structured environment — creating a system to process transactions, for example — we get order by re-engineering. When we're dealing with questions of what it *really* takes to get a three-level promotion, we'll probably find the order and rationality we want by making up a story or referring to a corporate legend. The mistake we need to avoid is using the wrong structure in a particular context.

Avoiding such mistakes is hard, for two reasons. One, we confuse correlation with causation. When people are involved in a system, things get unpredictable — so you can't expect a set of practices will deliver expected results, just because those practices resulted in the desired outcome the day before. Two, we confuse simulation and prediction. As the authors say, "I can simulate the flocking of birds, but I cannot predict when they come to a mountain…whether they will pass to the left or the right of that mountain." These two confusions really go to the foundation of most of our HRIS discipline today. We live and breathe causation and prediction, and they appear to be awfully inadequate for working in complex social — human — situations.

Well, not entirely inadequate: we intuitively know how to compensate for much of the ambiguity we face. Executives (see the review of an article called "The Intuitive Executive" below) use intuition to adjust for complexity and context all the time. Snowden and Stanbridge offer a wonderful example of this paradox in their description of what it would be like to "manage" a child's birthday party using our "scientific" management approaches, replete with learning objectives, project plans based on alternate scenarios, milestones, management objectives…you get the picture.

Birthday parties are successful because we combine intuition and logic, experience and objectives, and we modify them as needed, on the fly. As we move most structured aspects of HR and HRIS outside the organization, that's a lesson we need to learn — ASAP.

"Bridging the Gap"

By Mary Brandel
Computerworld, December 20, 2004

Whatever you call it — account manager, client manager, customer liaison, or business information manager — the role of relationship manager is a factor critical to the success of the IT function. Forty of 100 companies surveyed by Forrester Research last fall have such a position. Some of the characteristics associated with success in this role include:

- strong IT background in current and emerging technologies,
- strong interpersonal skills,
- direct reporting relationship to IT,
- experience living in the business unit, and
- support from and mentoring relationship with the CIO.

It's possible to identify some of the hurdles to success as well:

- lack of business credibility,
- lack of IT credibility,
- lack of collaboration with other relationship managers, and
- functioning as IT "help desk" for the business unit.

It shouldn't be hard for HRIS managers to extrapolate and see how these same characteristics describe our liaison role with line stakeholders.

Managing with Aloha: Bringing Hawaii's Universal Values to the Art of Business

By Rosa Say
Ho'ohana Publishing, 2004

Since we've endured a raft of management books patterned on the principles of everyone from Attila the Hun to George Bush (make what you will of the examples), why not a book that's based on the values of Hawai'ian culture and ethics? There are chapters on generally familiar aspects of the islands — *aloha*, for example. If you've visited here, you might also recognize concepts like *mahalo* (thankfulness and giving thanks/ recognition), and perhaps *pono* (doing the right thing, acting ethically) and *ohana* (family), and *kakou* (learning to think "we" rather than "I"). You're less likely to recognize the dozen or so other qualities, such as *kulia i ka nu'u* (striving for excellence), *'ike loa* (searching for knowledge and wisdom), and *kuleana* (being responsible).

There's nothing really groundbreaking here, but sometimes a radical shift in perspective is an effective means of calling attention to those characteristics of our own work environment that are taken for granted most of the time. Keep this book in mind for fun reading — especially if you're planning a vacation out here in paradise.

"The E-mail privacy quagmire"

By Sandra Gittlen
Computerworld, January 3, 2005

Employees use e-mail for business and personal purposes.

But IT management believes e-mail and instant messaging are not personal at all. Messaging may be a productivity tool, but it's for corporate use — period. They believe messaging for non-business reasons hogs bandwidth, wastes storage resources, and adds yet another data management task to the full plate IT already faces. Recent legislation and the post-Sarbanes-Oxley regulatory environment introduce additional complications for IT: e-mail has to be retained, and HIPAA directives have to be followed.

How can organizations reconcile the personal versus public aspects of messaging? This short article identifies some easy steps that aren't likely to raise employee hackles. First, it has to be clear to everyone that company representatives may view e-mail at any time. Second, companies can impose storage limitations: messages will be retained in a user's "space" for a limited time (although the company may retain them elsewhere to meet legal obligations.) Likewise, it's possible to limit the storage space allocated to each user and to restrict the size of files a user can attach to e-mails. (This latter step cuts back on "pictures of the kids" bandwidth problems.)

It's critical that these procedures and guidelines are clear to employees. It's also critical that someone (this article suggests IT) monitor actual viewing of employee messaging content and limit activity to legitimate reasons and authorized parties. I believe we can make a good argument that HR ought to be the steward of this data.

Finally, it's helpful to steer employees to alternative messaging services, like personal Web accounts.

This is a good basic review of the e-mail privacy problem, but it doesn't address nuances like the public/private issues of e-mail on a home computer or the "small talk" that's not strictly business, but is necessary to smooth interaction in most social situations. Nevertheless, it's worth reading, clipping and circulating. It illustrates how "privacy" is morphing all the time and moving rapidly from IT-specific issues to broader employee concerns.

"The Intuitive Executive: Understanding and Applying 'Gut Feel' in Decision-Making"

By Eugene Sadler-Smith and Erella Shefy
The Academy of Management Executive, November 2004

Metrics and analytics are a big part of our business portfolio — and they're getting bigger all the time. We generally develop metrics packages for management use based upon our idea of how and when people at the top decide on action — and our view springs from a belief that such decision-making is almost totally rational and deliberate.

The authors of "The Intuitive Executive" have a somewhat different view of what goes on in the executive suite (and in the corridors that lead to top management). They see decision-making at its best as "a fine balancing of two seemingly contradictory capabilities: intuition and rationality. The first one allows executives to pick up on important but weak signals; the second enables executives to act on them." That's a significant observation for people in our line of business, because our plans and products rarely if ever include support for both parts of the decision-making process.

Why should we go beyond the rational? The authors point to a number of factors that undercut such a one-dimensional approach, including:

- wars and terrorism,
- epidemics and diseases,
- accounting foul-ups,
- technology glitches,
- explosive growth in available information for known environments, and
- need for action (and information) in unknown environments.

Sadler-Smith and Shefy say that it's increasingly difficult to process in a timely manner enough information to satisfy the requirements of rational decision-making. Enter intuition — you can grasp big picture and key information components fast, then back into areas where deliberation is indicated.

If you're still attached to the rational-only approach, consider this: there are significant problems you'll have to confront:

- You'll need up-front agreement on goals and outcomes.
- You'll need to agree on cause-and-effect sequences and models.
- You'll need to validate all the information you throw into a decision-process.

Satisfying those three criteria won't be easy, since our business climate today is characterized by uncertainty. By the time you're done, the problem will probably be solved already — one way or the other. And in reality, people go beyond the rational approach all the time: the authors cite examples of intuition from Aristotle to Jonas Salk and Albert Einstein. They then raise a key issue: "if it is inevitable that executives will experience intuition, we may then ask just when and how they use it." The authors say the issue is significant for corporate strategy, marketing, human resource development, public relations, mergers and acquisitions — and other areas of the modern organization as well.

Part of the answer to their question appears when we note that executives equate intuition and experience. Based on experience, they can

- sense problems,
- perform pre-programmed behaviors,
- produce an integrated picture,
- check the "rightness" of rational analysis, and
- by-pass analysis entirely.

What's even more interesting from my point of view (and from the perspective of designing the "right" set of reports and dashboards for your top-level stakeholders) is that the need for intuition in judgment grows as one moves up the corporate ladder. The shift away from the rational approach may be a function of the increased ambiguity and complexity of the problems top-tier management faces. This group appears ready to trade depth of information for information breadth! One wonders how this phenomenon may develop as more and more decisions are relegated to lower level managers and supervisors.

The article suggests that organizations actively develop both rationality and intuition in their management team. The authors offer seven recommendations for this approach:

- Open up the closet — don't suppress intuition; and encouage informality, intuitive processes and unstructured reasoning.
- Don't mix up your I's — differentiate among *insight* (which can be analyzed and formalized), *instinct* (primarily biological responses to a situation — the old "fight or flight" reactions we have read about for years), and *incubation* (the unconscious processing of information that delivers those wonderful "aha moments" we have all experienced). The authors point out that not all intuitions become insight, and not all insights come from intuition.
- Elicit good feedback — especially challenges to the status quo and conventional wisdom.
- Get a feel for your batting average — revisit "gut feel" decisions and evaluate how good they were.
- Use imagery — visual presentations may "provoke an intuitive understanding, which is arrived at implicitly and held tacitly, but which may provoke an alternative way of identifying anomalies." Narrative and pictures may actually "postpone" rational decision making behavior while the viewer processes alternatives and interpretations.
- Play devil's advocate — since we tend to hold on to familiar action sequences and interpretations of behavior as a result of our many "human" biases, we need a counter-weight: we need to consciously challenge the conventional, whether wisdom, reports, definitions or analyses.
- Capture and validate intuitions — give yourself (and others) time and space and "freedom to roam." The authors suggest keeping a diary of intuitive moments; I'd suggest using a blog for this purpose.

These seven practices will help develop intuition, not as a replacement for rationality, but as a complementary tool and approach. I suspect that one of the reasons HRIS products and services have never gained the respect and clout they deserve from executive management may well be a function of our failure to feed both sides of executive decision-making behavior. Further, if we are to address this dichotomy for our executive stakeholders, we need also to develop such skills among our own staffs.

The Leadership Training Activity Book: 50 Exercises for Building Effective Leaders

By Lois B. Hart, Ed. D., and Charlotte S. Waisman, Ph.D.
AMACOM, 2005

I've been reading a lot lately about HR and HRIS as leaders, but most of the leadership literature focuses on executive behaviors. This book starts to fill the gap. It's a collection of fifty activities trainers can use to encourage and develop leadership behavior. Each activity has an overview, objectives, set-up requirements, resource and trainer's notes. The trainer notes offer step-by-step procedures. There are also post-activity follow-ups, and templates for all the handouts are available at the AMACOM Web site.

Most of the activities discussed here are short — 10 minutes to an hour or two. They don't require outside assistance. They're designed for small groups (20 participants is an upper limit). In short, they're ideal for HR or HR systems managers who want to develop their colleagues as leaders within the HR arena — or among the line and external stakeholders with whom they interact. Using one or two of these activities at monthly or quarterly HR meetings would be a real example of strategic HR.