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# IHRIM e-Journal

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Reviews of timely articles and books for current and emerging thought leaders and senior executives  
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## **Creating the Innovation Culture**

By Frances Horibe, John Wiley & Sons (Canada), 2001

During the past few years, business literature has included dozens of books about knowledge management and knowledge creation. A few have been of the “one minute to...” genre, and a lot of the others have dealt with KM in terms of broad organizational issues and theories about how we create and apply knowledge in the workplace. There have not been too many discussions about the middle ground — how we innovate, how we improve on daily activities in work settings, how we create and sustain the kind of culture that encourages such activities; and how we develop, protect, and support those “wild ducks” or “square pegs in round holes” who are the primary source of innovative ideas.

Frances Horibe’s *Creating the Innovation Culture* goes a long way toward filling this gap. Her book focuses not only on dissenters as the key to innovation, but also on dissenters as people. She also shines a welcome spotlight on some of the current practices and values that can undermine or suffocate these people.

Her first order of business is to puncture a lot of the current “conventional” wisdom about good management — and by association, HR’s stance as a supporter of “alignment” with these practices. Horibe makes the case that even visionary organizations can be inhibitors of innovation (because

the very strength of the vision overwhelms individual innovators — dissenters in her terminology). But she also identifies another more surprising problem with contemporary organizations: what she terms “the efficiency-innovation dichotomy.” This dichotomy is a function of current management’s outdated reliance on systems built to support a manufacturing environment. She points out that many of the current technologies that support our focus on efficiency were developed under conditions that didn’t demand the short-term ROI we count on and support today. She further points out that even where innovation does occur, it’s often left unsupported because it’s not clear how it can be productively applied. From an HR systems perspective, we are led to the realization that what we say — our lip service to knowledge innovation and creativity — may well be undermined by what we do.

What’s the answer? That’s what this book really addresses.

First, says Horibe, we need to understand how companies (and managers) suppress dissent. She identifies seven progressively more disruptive behaviors: arguing, listening but not hearing, laughing it off, ignoring, making dissent invisible, forbidding it, and finally, getting rid of the dissenter.



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She also identifies different kinds of dissent. There's situational dissent, which is familiar and generally tolerated by many organizations. Then there's underground dissent, whistle blowing and even "stupid dissent." The author shows some of the common routines companies use to suppress each of these forms of dissent. Some such approaches are:

- Shoot the messenger,
- Send mixed messages,
- Never apologize,
- Play politics, and
- Intimidate.

I've seen lists like this before, but Horibe adds a twist: for each category, she includes a short dialog between two or three people that illustrates the suppression strategy in action. This seemingly superficial technique runs through the entire book, and it actually bothered me at first — but not for long; it's a major component of the everyday-wisdom approach the author uses, and the more you're exposed to it, the more powerful it becomes. You'll recognize your manager's voice — or perhaps your own — in many of these dialogs, and when you do, you'll experience a first-hand understanding of dissent and its enemies.

Horibe also identifies a few less common suppression tools and techniques — some of which are a little troubling from an HRIS perspective. She cites (correctly, in my view) the dangers of best practices:

"Best practices are really about improvement, not innovation. While both are valuable, a system aimed at one will not get you the other. By and large, best practices are aimed at efficiency, not innovation."

This unearths a very real problem that our discipline will have to face in coming years: how do we continue our delivery of the efficiency improvements that we have made the keystone to our rationale for HRIS existence if, in doing so, we undermine the innovation that our companies need to survive and compete?

Horibe highlights potential problems in treating everyone equally well, actually about confusing equal treatment with treating everyone the same. There's a world of difference! Again, a lot of the blame for the practice goes to the old machine model of the business, where every employee is just another cog in the machine. Horibe says that approach will not work for knowledge workers. Her assertion highlights another issue for HRIS: many of our systems and metrics seem to be based upon "same" treatment. We have been approaching problems as if sameness and equality were, well, the same — but are they?

We're also presented with the question of values: what happens when we all buy into the same set of values? What happens when there's too much agreement? Horibe identifies three levels of values. There are personal preferences, which we should try to support. There are company values, which need to be revisited periodically, but not all the time. Finally, there are fundamental values, which are rarely questioned.

HRIS and IT readers would do well to consider another "suppression" issue here: the utility or advisability of a process to capture good ideas. This author says her experience shows many companies looking for "something structured, all encompassing, formal, and organization-wide." That very process/structure approach

has been the Holy Grail for us as well. However, Horibe is cautionary on this technique:

"Daydreaming, messing about, taking paths that don't lead anywhere, research for research's sake — all these things are inefficient, but are sometimes necessary precursors to innovation."

When I read comments like this, I wonder how much potential innovation was destroyed by Michael Hammer and his legions of re-engineers over the past decade or so. And I wonder how much related potential we have undermined with our efforts in response.

So now we know all about dissent and how it can be suppressed. Horibe next turns to the issue of identifying and classifying dissenters themselves. As a frame to this whole discussion, Horibe examines the urge we seem to have to tame dissent. She suggests thinking about dissenters and managers as belonging to different tribes, one of which values ideas, autonomy and a touch of anarchy; the other for whom productivity, consensus and orderliness are deities. Neither are right or wrong — just different. This is a valuable lesson in itself: we need to understand this when we initiate needs assessments, gap analyses, BPR, and related workplace activities and make sure we accommodate both camps.

Next come chapters on managers as political handlers, coaches for dissenters, identification of underground dissent and surfacing dissent around you. There's an interesting exercise — an "underground dissent quiz" — that helps you diagnose how you, your employees and your organization treat dissent. When I read this chapter, I thought this same approach would be an ideal consultant tool for assessing likely problems and challenges in the systems acquisition/implementation process. Horibe covers all the bases — she also has a chapter on surfacing dissent above you — at multiple levels. In HRIS (and HR circles), we are so accustomed to currying favor with support from the higher-ups that we rarely examine their motives, behavior, or impact on creating an innovative climate for our work. That's a sobering and increasingly central issue for us, if we and the systems we deliver are to be real agents of and for change.

Once you know all these things — and you will know them, because the discussions are detailed and comprehensive and supported by the snippets of dialog noted earlier in this review — you're ready to create or support structures and mechanisms for dissent. Horibe tells us that:

"Structures and processes make a difference. They don't make innovation happen, but they prepare the ground so that any innovative ideas that want to happen will have a soft landing."

Her claim is that managers and executives have a special responsibility for all this, but I think HR/HRIS also has a commensurate role.

The list of tools and approaches the author discusses includes:

- Training,
- Reward and recognition,
- Autonomy,
- Mobility,
- Access,
- Modeling risk-taking,
- Demonstrating fallibility,
- Pilot projects and flying leaps,
- Internal venture capitalists,
- Peer funding, and
- Changes in hierarchy.

This discussion concludes with an excellent discussion of failure — its role in innovation, different forms it can take and more.

Finally, there are chapters on encouraging people to speak out in dissent — and about “when enough is enough.” The sensitive and practical approaches Horibe advocates in these sections underline her experience and understanding of the dynamics of today’s work force. As yet another “connect” with HRIS, we ought to keep these issues in mind when we start systems projects — how long do we argue about preferences or direction? When is it time to “commit” and start working? How do we balance these needs without being heavy-handed?

We’re left with a real perspective of the innovative workplace, and the conditions we need to create, support and expand to make it happen. As the author says in her conclusion:

“As workers begin to understand that they have choices and should have a voice, I think they will increasingly insist that they be treated more like citizens and less like employees. I believe we are moving into an era in which consent of the governed will be the hallmark not just of government, but of organizations as well...”

That’s a tough proposition. Horibe also tell us:

“In business as in life, we’d really prefer options with no risk, no downsides, and a huge assured payoff. But wishes aren’t reality. No risk, no downside, no payoff. But still our planning focuses on minimizing risks and maximizing outcomes. Very rational, very efficient. But not very innovative. We need to change our assumptions about risk and even what constitutes success.”

When you get ready to plan the next project or build the next “back to basics” budget, think about that last paragraph first.

I liked this book. I thought the dialogs were exceptionally good, and I thought the chapter summaries were just right. My only quibbles are first, with the author’s failure to address our own discipline as much as I think is warranted, given the subject matter; and, second, her failure to discuss a lot of the recent literature about communities of practice and informal (social) networks and their contribution to overall innovation. (Works by people like Wayne Baker, Etienne Wenger and Rob Cross throw light on these areas.) Horibe certainly has the experience and perspective to deal with these issues and I hope she chooses to do so in the future.

But those are minor issues. Horibe’s book offers exceptional value at several levels. In the first place, there’s the discussion of the “dissenter-innovation” connection and a challenge to all of us to do what we can to nurture it. But for people in our business, I think there is a great deal more.

For starters, we really do need to think about the role our staff and our systems can and should play in the organization of the future, where innovation and constant change will be the watchword for every employee. If Horibe is right — or even partly right — we ought to be re-examining everything from the reports we produce to the practices we employ in an attempt to ferret out as many of the innovation inhibitors as possible. I think we need to develop our own “HRIS innovation quotient” and audit our systems to identify their ability to support these ideas. Otherwise, we and our systems will be the subject of an additional chapter in the next edition of a Horibe book, and it won’t be discussion of exemplary performance.

We should go farther: we should be searching in *Creating the Innovation Culture* for hints about what we can do to make our systems active participants and leaders in this future-oriented environment.

And perhaps the first and most important step toward that goal is applying the lessons Frances Horibe has provided to our departments, our IT partners, our vendors — and to us.

## “Achievement for all Children”

Apple Computer, Inc., January 2003.

*IHRIM Journal* and *IHRIM.link* occasionally publish articles about workforce demographics and behavior, but the focus is primarily directed at groups already in the workforce. This 20-page document from Apple, produced in response to the “No Child Left Behind” program of the U.S. Department of Education, focuses on our potential workforce — the ones still in grade school and high school. It contains a wealth of statistics and some very thought-provoking ideas about what the next generation values, how it learns, the technology it has available, etc. It’s worth your time and will make an excellent springboard for discussions of long-range staffing strategies.

## “Helping HR Apps Unlock Human Capital”

By Jennifer Chew, with Laurie M. Orlov, Ryan Hudson, and Liz Herbert, Forrester Research, March 2003.

This 20-page Forrester ([www.forrester.com](http://www.forrester.com)) research report sells for US\$675, but it is worth your consideration for two reasons: first, Forrester is a name with clout, and when you put this easy-to-read and visually pleasing briefing in front of the people who allocate funding for future projects — presto, you have instant credibility. Second, and more importantly, there are plenty of ideas in the briefing — sections on “thinking outside the portal,” the importance of usability (most HRIS packages fail this one), moving from soup-to-nuts projects to short, one-bite-at-a-time efforts, and even the likely impact of Intel’s new Centrino chip on HR. If you wonder what you need to think about after the system is installed, here’s a goldmine of information. For senior HRIS managers, the ideas-per-dollar ratio in this report makes it a real bargain.

## **Human Resource Planning, 2002 Volume 25.4.**

I occasionally cite articles from this journal in the e-Reviews, but this entire “Special International Issue” merits attention.

“Organizational Models of Collaboration in the New Economy,” by Robert J. DeFillippi, looks at the technology drivers influencing today’s organizations and the challenges that these new technologies and behaviors present for HR management.

DeFillippi looks at the central position project teams occupy in the new economy and identifies six different impacts of the new team environment:

- Work teams used to be formed for the long term, but modern teams need to be rapidly assembled, supported, and dissolved in response to changing environmental conditions.

- Old team staffing came from stable and long-standing organizational units, but new teams are fluid, inter-departmental and open to external knowledge transfer.

- Old teams were co-located, while new teams are often geographically dispersed.

- Old teams were made up of full-time employees, but new teams are a mix of regular employees, suppliers, consultants and others.

- Old teams worked independently and communicated from time to time with other teams and organizational stakeholders. New teams are connected everywhere, in real-time.

- Collaboration needs to be a mix of face-to-face and electronic interaction.

In short, the challenge we face is both technological and managerial.

DeFillippi goes on to examine different types of collaborative communities. He also characterizes new-economy workers and human resources practices. We will be faced with:

- Just-in-time recruitment of outsourced workers,
- Differing views of loyalty and commitment,
- Generational gaps between “baby boomers” at one end of a continuum and the “Net generation” at the other extreme, and
- Re-organized, boundaryless work.

The article concludes with a brief summary of what to expect in the key HR areas of recruiting, staffing, training, compensation, benefits and communication. The bottom line is that HR has to expand our horizons to be effective in the new economy. HRIS managers need to expand their horizons to partner with the rest of HR.

“Technology, Community, and the Practice of HRM” by Michael B. Arthur and Polly Parker is also worth special mention. There’s an introductory section describing how technological evolution has changed the way we work, and how in turn HR needs to change to remain relevant. Where DeFillippi discussed teams, these authors focus on “communities,” and their chart identifying 10 types of communities and the “ways of knowing” at work in each of them is exceptional.

Their 10 communities include:

- Industrial,
- Occupational,
- Regional,
- Ideological,
- Project,
- Alumni,
- Support,
- Family,
- Virtual, and
- Company.

And for each, there’s a discussion of three issues familiar to knowledge management practitioners:

- Knowing why,
- Knowing what, and
- Knowing how.

Why is all this important to HRIS professionals and managers? One answer is that we need to be able to configure our systems, services, and products to support each of the 10 communities and to deliver each of the three types of knowledge. The broader response is best appreciated through a quote from the article:

“...Does taking knowledge management seriously displace traditional ideas about people management? In part, the answer is yes, because traditional people management has typically lacked sensitivity toward knowledge management issues. We have thought about roles or jobs to be performed, rather than about knowledge to be shared. In part, though, the answer is no, because failure in people management is likely to mean employees will be less motivated to consider the company’s interests ...” As HRIS practitioners, we need to balance the “yes” and the “no” components. As the author notes, “people are not only valuable for themselves, but for their access to larger knowledge pools.”

Other articles in the same issue of the *Human Resources Planning Journal* include case studies that help ground the theories described above in real life settings.

## “Punctuated Equilibrium and Linear Progression: Toward a New Understanding of Group Development”

By Artemis Chang, Prashant Bordia, and Julie Duck, *Academy of Management Journal*, February 2003, Vol. 46, No. 1.

This article is a “research note,” and as such has a lot more detail about project team’s behavior than most readers need. Nevertheless, it’s an important article for project managers because it identifies two different patterns of project team behavior where we have generally seen only one. The authors discuss the generally accepted view of how teams work in project situations: they behave in a linear manner, progressing at a relatively even rate from beginning to end. This view is the basis of most project management techniques, where activities and milestones are set out at the beginning of the project, and where subsequent “project management” interventions are generally designed to keep things moving according to the pre-defined plan.

But there’s another aspect to team behavior. Borrowing from studies of evolution and from complexity science, there’s what’s called “punctuated equilibrium.” This term describes a team’s propensity to make progress in fits and starts (what the academics call “periods of stasis and sudden change”) — often in reaction to a looming deadline — rather than in regular, predictable steps. The implication here is that progress in activities like systems implementation may be energized by well-placed deadlines and deliverables, not just daily management attention.

Some observers see the two behavior patterns as an either/or proposition. The research indicates that both appear to be at work in the same teams and projects. This is one more tool for project management experts’ portfolios.

## “Five Steps to Changing Employee Behavior in the New Cultural Order”

By Sharon Tucker, Ph.D., *WorldatWork Journal*, First Quarter 2003, Vol. 12, No. 1.

Tucker argues that a key success factor for companies in the 21st century is the degree to which they can convert their workforce from passive employees to active participants. We have not been very successful at driving this shift so far, in part because “behavior change tools, such as competency models, have been incorporated into the very bureaucratic processes that cause organizations to be slow, unresponsive and absorbed in their own routines.”

We need a new model of organizational effectiveness that shifts the workforce from the old environment of control and centralization (described as driven, cool, secret and political, with rules applied to all) to a new workplace of trust and independence (inspired, warm, open, without hidden agendas, and based on individual action).

The author suggests a five-step program for making the shift:

- Eliminate as many rules as possible,
- Teach people the business and build their confidence,
- Reward cooperation and make everyone an insider,
- Put the right people in management roles and develop their “warm” management skills, and
- Reward what is valued.

There’s a detailed discussion of each of these five steps. Under the “eliminate rules” heading, for example, Tucker targets both formal and informal rules. She notes that a lot of the unwritten rules about who can make or review decisions are well intentioned, but “they clearly interfere with speed and may interfere with responsiveness.” Such observations ought to make HRIS practitioners pause: do we recognize informal rules? Do we support an environment where decisions can be made without rules? Do we deliver the right information to all the right people?

This article offers a number of similar nuggets for reflection.

## “Warming Up Benched Players”

By Cynde Coulson, in *Workspan*, March 2003.

Most of us have installed the company’s basic HRIS and define value/ROI in terms of cost savings enjoyed as a result. But a large part of continuing ROI is a function of using the basic system as a launching pad for other aspects of automation in the HR world. Given the environmental uncertainty exemplified by 9/11 and the looming shortage of management talent predicted by most demographers, succession planning is one such application.

This short article is a very strong starting point for tapping into current thinking about succession planning and some of the activities we should be launching now if we are to provide the necessary support for the capability a few years down the road. Some of the brief comments Coulson makes address issues like identifying and developing the “A-players,” assessing talent, integrating succession planning with other parts of HR, and defining core competencies. This article isn’t the Bible on succession planning, but it is the short

and to-the-point first bit of ammunition you need to get your management’s attention, support, and — perhaps — funding.

## “Managing and Empowering the Workforce”

*PeopleTalk*, the PeopleSoft Magazine, January-March 2003.

This article, subtitled “Real-Time Human Capital Management Business Processes at Work,” is a short and very specific description of the 21C workforce. The best part of the article is a two-page graphic (generated by software from a company called XPlane, which is itself a worthwhile stop on your next Internet tour) that depicts “the lifecycle of a high-performance workforce.” This is exactly the kind of descriptive narrative and graphic that needs to be circulated relentlessly in most companies, especially the ones that are slow to understand the challenges and threats associated with the new conceptual base of what we know as HR.

### BOOKS RECEIVED:

Alfred Beerli et al, (eds.), *Knowledge Management and Networked Environments*, AMACOM, 2003.

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