

## A new paradigm for HR: dilemmas in employing and managing the resourceful human:

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Over recent decades we witness the development of the autonomous and reflective individual. It is an individual that has a full set of needs, internal and external to the organization. Power is diffused and shared. “In contrast with traditional management, where structures and systems are derived from a pre-defined strategy, the new workplace will seek to balance what matters for the company (its strategy) and what matters for the individuals (their life strategies).”<sup>1</sup> In fact, management and employees decide and execute *inter-actively*. In this New World of the *customized workplace*, conflict is a normal part of life and the reconciliation of dilemmas is the new source of authority. This is revealed even more dramatically in the process of continuing globalisation. So we must address the response from the perspective of the Human Resource professionals?

In addition to these generic changes (especially in the Western Hemisphere), the world has recognised increasing shifts due to the internalisation of business. Yet we still observe that the major instruments and methods used by HR professionals owe their origin to an Anglo-Saxon philosophy and are still dominated by an Anglo-Saxon signature. Typical are the instruments used for recruitment and selection. Although its original conceptual father C.G. Jung was a German, the MBTI and JTI (Myers-Briggs and Jung Type Indicators) are the most used Americanised instruments in business to assess personality type. Similarly over 8,000 companies use the HAY system for job evaluation world-wide. Originally developed by Colonel Hay for evaluating jobs in the American army, it later became extended to the most popular evaluation instrument for international businesses. And lately we see the enormously popular Balanced Scorecard developed by Kaplan and Norton that initially helped many North American firms to measure important perspectives of business beyond the financial.

But what have these Americanised perspectives done for (and ‘to’) non-American organisations? Obviously there was an era when globalisation was taken literary. “It works in the US, so lets export it to the rest of the world”, was the main principle. Generally this approach has failed. In fact, it has only worked in organisations where the corporate culture dominated the local or national cultures (The Hewlett Packard ‘way’, and McKinsey are obvious examples). and also perhaps in organisations where the product was very dominant ~ such as Coca Cola, Disney and McDonalds.

### A proposed new logic for HR

Our new approach to understanding HR that transcends these changes is to investigate dilemmas that derive from the tensions caused by cultural (value) differences ~ whether from national, ethnic or corporate cultures. In our findings, all cultures and corporations share similar dilemmas but their approach to them is usually culturally determined. For example, on the one hand should we be directing/‘hands-on’ with staff or on the other hand empowering staff to be self-controlling and innovative? The success of a company will depend, among other things, on both the autonomy of its people and on how well the information arising from this autonomy has been centralised and co-ordinated. If you fail to exploit fully centralised information, your scattered but highly self-motivated personnel might as well remain totally independent. If various teams are not free to act on local information, then centralised directives are subtracting, not adding, value.

All organisations need stability and change, tradition and innovation, public and private interest, planning and laissez-faire, order and freedom, growth and decay. The consequence is that the systems and processes of HR are changing to the world of dilemmas created by the customised workplace and even more by globalisation. Increasingly, in this new paradigm contrasting values have to be integrated

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<sup>1</sup> Hamid Bouchiki and John Kimberly, “All change in the Customised Workplace”, in: Mastering People Management, Financial Times, 2001, Oct. 22, pp 4-5.

Our new framework for HR that seeks to serve this new paradigm is based on Three 'R's : recognise, respect and reconciliation.

Recognise	Whilst we can more easily recognise explicit and overt cultural (value) differences, we may not be aware of more hidden implicit differences. This explains why this cultural due-diligence is usually absent from the agenda and from many of the classic HR models, frameworks and tools. Thus the first step is to <u>recognise</u> that there are differences in values and thus the meaning given to the same thing by different people.
Respect	Different orientations about 'where I am coming from' are not 'right or wrong', they are just different. It is all too easy to be judgmental about people and societies that give different meaning to their world from ours. Thus the next step is to <u>respect</u> these differences and accept the right of employees and customers to interpret the world (and our products and services) in the way they choose.
Reconciliation	Because of these different views of the world, we have tensions deriving from these different value systems and/or current practice versus idealised behaviours. The task of the HR professional is to facilitate the <u>reconciliation</u> between these opposing differences in the area of their own function and to help build the wider reconciling organisation.

In our research at THT we have helped HR professionals elicit the dilemmas they face in their work and those that are faced by their organisations. Using face-to-face interviews as well as our web-based systems, we have accumulated over 6,000 basic dilemmas. Applying clustering and linguistic analysis techniques we quickly begin to see a number of fundamental and re-occurring dilemmas that are faced by HR.

When seeking to structure or categorise these dilemmas across HR, it is constructive to consider the different meaning assigned to organisational relationships. We describe four major stereotypes describing different organisational logic or corporate cultures: *The Family, The Eiffel Tower, The Guided Missile and the Incubator*. We only partly agree with Cameron and Quinn's observation that: "...the roles, means, ends, and competencies emphasised by the HR manager must reinforce the dominant or desired culture of the firm. Displaying different HR roles can help build or strengthen a different kind of organisational culture."<sup>2</sup> But the opposite holds true as well, i.e. that the dominant organisational culture will breed a certain kind of HR manager.

The different role the HR manager play in each logic are summarised as follows:

<p><b>INCUBATOR</b>  A leaderless team in which people aim for personal growth. Individualisation is one of the most important features. The organization exists only to serve the needs of its members. And its members are motivated by learning on the job for personal development.  Person-oriented  Power of the individual  Management-by-passion  Commitment to oneself  Professional recognition  Self-realization</p> <p><u>Main Role of HR:</u></p>	<p><b>GUIDED MISSILE</b>  "Getting the job done" with "the right person in the right place" are favourite expressions. Organizational relationships are result-oriented, based on rational and instrumental considerations, and are limited to the specific functional aspects of the persons involved.  Achievement and effectiveness are weighed above the demands of authority, procedures, or people. Authority and responsibility are placed where the qualifications lie, and they may shift rapidly as the nature of the task changes. Everything is subordinate to delivering the encompassing goal(s).  Task orientation  Power of knowledge/expertise  Management-by-objectives</p>
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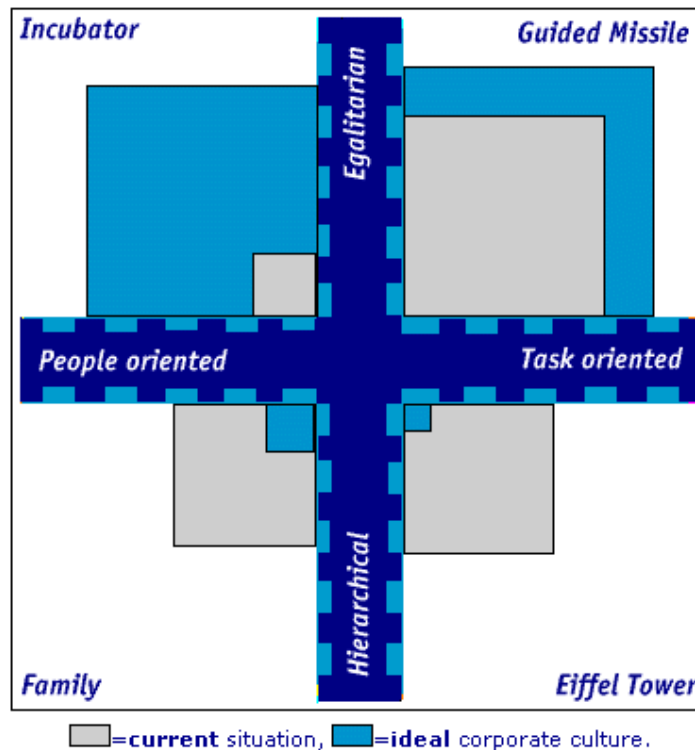
<sup>2</sup> Cameron Kim S. And Robert E. Quinn, Diagnosing and Changing Corporate Culture, Addison-Wesley, 1999, p.46

<p>Creative Business Player for organizational Learning  <i>Attract, Retain and Motivate talent:</i> Intuitive Recruitment, Self-realization and continuous learning  <i>Reward Staff:</i> learning  <i>Evaluate Jobs:</i> people make jobs, no formal process  <i>Develop Staff and Leaders:</i> on the job  <i>Plan Staff:</i> where needed and short term  <i>Main role:</i> Change Agent by facilitating transformation</p>	<p>Commitment to tasks  Effectiveness  Pay-for-performance</p> <p><u>Main Role of HR:</u>  Strategic Business partner for effectiveness  <i>Attract, Retain and Motivate talent:</i> Quantitative Measurements, high material rewards and focused learning  <i>Reward Staff:</i> high material pay  <i>Evaluate Jobs:</i> task makes jobs (benchmarks)  <i>Develop Staff and Leaders:</i> task focused and professional  <i>Plan Staff:</i> middle term where task requests  <i>Main role:</i> Strategic business partner through aligning HR with business strategy</p>
<p>FAMILY  A highly personalized organization predominantly power-oriented. Employees in the “family” interact around the centralized power of the ‘father’ or ‘mother’. The power of the organization is based on an autocratic leader who - like a spider in a web - directs the organization. There are few rules and thereby little bureaucracy.  Power orientation  Power of network  Personal relationships  Management-by-subjectives  Affinity/trust  Promotion</p> <p><u>Main Role of HR:</u>  Political Sub-ordinate of Management for Organizational Loyalty  <i>Attract, Retain and Motivate talent:</i> Fit with Political elite, loyalty programs  <i>Reward Staff:</i> increased authority  <i>Evaluate Jobs:</i> by management’s discretion  <i>Develop Staff and Leaders:</i> knowing the power elite  <i>Plan Staff:</i> life time across the family  <i>Main role:</i> Employee champion responding to employee needs</p>	<p>EIFFEL TOWER  Steep, stately, and very robust. Control is exercised through systems of rules, legalistic procedures, responsibilities, and assigned rights. Bureaucracy makes this organization inflexible. Respect for authority is based on the respect for functional position and status. The bureau or desk has depersonalized authority. Expertise and related formal titles are much appreciated.  Role orientation  Power of position/role  Management-by-job description/evaluation  Rules and procedures  Order and predictability  Expertise</p> <p><u>Main Role of HR:</u>  Administrative Specialist for structural efficiency  <i>Attract, Retain and Motivate talent:</i> Fit with Quantified Job requirements, expertise and life time learning  <i>Reward Staff:</i> education  <i>Evaluate Jobs:</i> formal job classification systems  <i>Develop Staff and Leaders:</i> expert training  <i>Plan Staff:</i> apprenticeship  <i>Main role:</i> Administrative specialist facilitating Re-engineering processes</p>

We have observed many Western organisations that have sought to impose Western (or rather Anglo-Saxon) HR systems on organisational cultures that were based on entirely different assumptions. The result was either “corporate rain dancing” or complete ineffectiveness of the intended outcome. What do we do with a Pay-for-Performance scheme in the Family? And what about a formal Job Evaluation session in an Incubator culture?

Similarly, our research confirms that it is too simplistic to attempt to transform an organisation culture from the current mode to some idealised nirvana. Cultures act to preserve themselves, which is why so many business transformation and change programs fail. The value of our typology however lies in comparing the current culture with an expoused idealised culture to elicit the tensions between them and thereby identify the important dilemmas that result and need to be addressed.

Fig 1. Source of tensions between the current and ideal corporate culture ~ typical profile map



We can illustrate the frequently reoccurring dilemmas we have found for HR with some examples:

The war for talent

Can we recruit the best person for the job or should we offer lifetime continuity of employment?

The process of attracting and retaining talent is one of the key tasks of HR professionals. Criteria and competencies deemed to be predictors of high and effective performance are claimed. However, hardly any attention has been given to a very much under researched issue ~ which is the image of the organisation to the job seeker. The values with which organisations entice scarce human resources are very different today..

Mining our database generates evidence that supports the proposition that that the younger generation – from 20-30 years old - have become more increasingly directed in the last few years. They dare to express their emotions more, and they feel better working in teams. Moreover, it appears that these younger ‘generation-X’, high potential employees have a shorter time horizon, and have greater self-confidence in their own individual abilities. Their preference has shifted away from the task-oriented “Guided-missile” corporates to the person-oriented, “Incubator” work environment. Their rationale for career security is based on maintaining a set of personal and transferable competencies. It is their ‘employability’ rating based on their contemporaneous skills profile that drives them, not the old notion of corporate security from an employer of high long-standing regard or protection by their trades union. The old adage that working for a major corporate will ensure you a job-for-life is no longer true nor an attractor

What might make a large organisation attractive to a young, ambitious and talented employee now? It is apparent that established organisations must make an enormous effort to catch up with the attraction of younger businesses. There is a tension between the image of these companies and the ideals that young talented people

have in their heads. The power-oriented, “Family” culture and the role-oriented hierarchical structures of the so-called “Eiffel Tower” culture still dominate in both perception and reality

The dilemma arises from the tension between corporate image and personal vision. Global companies like Heineken or Shell are looking for people who are global, innovative, team players; people who think in terms of diversity, who want to learn and who value freedom of choice (to continuously maintain their employability profile). This global corporate mindset thinking, appears to be bland (“it’s all the same everywhere”) and static and not offer the freedom to develop one’s own persona. As a consequence, is not attractive to the young generation-X people. Young, talented, recently graduated candidates prefer to work locally and have fun.

Global (‘one world’) thinking creates tensions compared to a contrasting framework which recognises and values diversity (many realities). Shell invites people who believe in the equal treatment of men and women, and asks people from different ethnic backgrounds to develop into honourable citizens of the world. Whilst apparently laudable, you can imagine the dilemmas that arise between being oriented towards teamwork (stability/tradition) versus innovation. The Japanese experience demonstrates that this is not easy to reconcile. Apart from these dilemmas within Shell’s espoused orientation, there is also the dilemma adhering to the image of a large organization and doubt whether these orientations can actually be put into practice.

The American semi-conductor industry has shown that through a brilliant reconciliation between teamwork and individual creativity, that you can become unbeatable in your sector. Trans-national organisations such as Nokia and ABB exemplify how to keep excellent talent by globalising diversity. Young graduates are attracted to organisations that have reconciled these ‘corporate’ cultural opposites. These are organisations that historically have a dominant Guide Missile or Eiffel Tower Culture yet still seem to attract talented staff by reconciling the tensions between free choice and deep learning opportunities, between downsizing and economies of scale, and between image and reality.

#### Dilemmas in selection and recruitment

Do we try to recruit a clone of the present outgoing job holder  
or assess new potential from different applicants?

There is the danger that recruitment is simply a sophisticated way of cloning. This is the origin of professional tools to offer objectivity to assessment. In Myers Briggs terms, there are observable differences in personality between different countries. For example, the most predominant type in British management is ISTJ, whilst in American management it is ESTJ. There is evidence from Korean MBTI research that Koreans tend to be more introverted than extroverted when the American norm is applied to interpret their score. Because introverted people are relatively pervasive in Korean society, most organisations including educational institutions and companies encourage their members to be more extroverted in public situations, and many evaluate an extroverted person more favourably.

But what about these methodologies when the applications go beyond the environment in which they were developed? Suppose the culture likes the Extroverted, sensing, intuitive perceptive type? So, if a culture believes in judging rather than perceiving, should we just select our people accordingly? The internationalisation of recruitment has clearly shown us that other types are more dominant in other cultural environments. And what about the trying to assess whether a person can survive in other cultures? Obviously the Myers-Briggs fans find solutions in the team and the complementarities of types. Or they refer to the fact that the types are only preferences but that all is potentially within the person. But why were the questionnaires designed on mutually exclusive values at the first place? It is because our Western ways of thinking is based on Cartesian logic and forces us to say it is either ...or, not to say and....and. This is in contradiction to what the genius Carl Jung had in mind in the first place when he construed the underlying conceptual framework behind MBTI.<sup>3</sup>

<sup>3</sup> Carl G Jung, Psychological Types, Routledge & Kegan Paul, 1971.

Thus in a situation where the culture in which people are being recruited has a slight preference for the Sensing, what could be done when one is facing an environment where Intuiting is the preference for making a successful career? Applying our paradigm, we can extend MBTI by slightly adjusting the instrument and the way of thinking that forms the context of its applications and thereby make it a jewel of an instrument far beyond any cultural preference.

The MBTI logic asks if you are Sensing or Intuiting? The more you identify yourself as Sensing, the less you must be of the Intuiting type. Although MBTI professionals do talk about combining the variety of preferences in teams and organisations, one cannot derive this approach from the MBTI instrument as it is based on forced choice bi-model questions.

Let's apply our thinking to the scales of Myers-Briggs. To test the preference for thinking or feeling the following question is asked:

*When I make a decision I think it is most important:*

*a) To test the opinions of others   b) To be decisive.*

But what if in a multi-cultural environment one finds people with different opinions? The decisive leader will agonise over the fact that many want to go for consensus. Conversely, the sensitive leader will not succeed because of an apparent lack of decisiveness. Thus we have a dilemma between the seemingly opposing orientations of Thinking OR Feeling.

In our Integrated Type Indicator<sup>4</sup>, the addition of two alternative options provides a means of evaluating the individual's propensity to reconcile this dilemma:

*When I make a decision I think it is most important:*

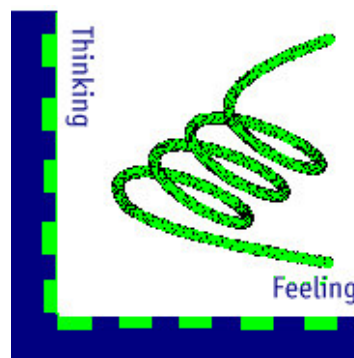
*c) to be decisive through the continuous testing of opinions of others*

*d) to test the opinions of others by showing decisiveness.*



Those who answer 'c' are starting from a 'Thinking' orientation but accounting for the Feeling of others. They have successfully reconciled the opposites. This process involves starting from one axis and spiraling to the top right (10,10 position) and thus the individual has integrated both components

Similarly, those who answer 'd' are starting from 'Feeling' but towards 'Thinking' and again integrating the two seemingly orientations.



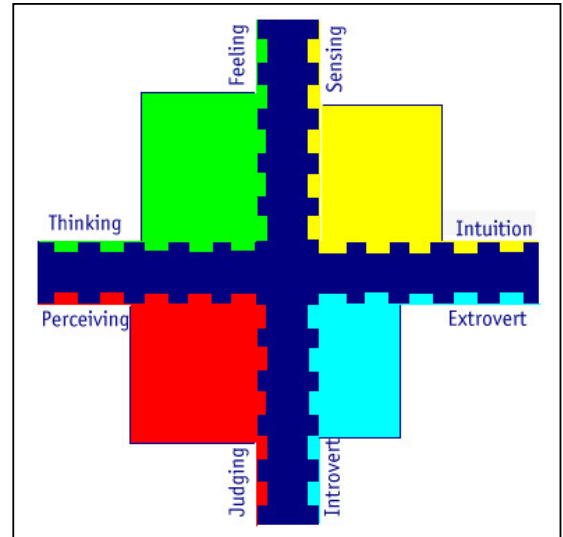
spiraling opposite

<sup>4</sup> Fons Trompenaars and Peter Woolliams, Just Typical: avoiding stereotypes in personality testing, People Management, December 2002

In our extended model of MBTI, which we call the ITI (Integrated Type Indicator), we use our own questions that represent the two extreme opposing values for each conjugate pair. However, we also add two additional choices that represent the clockwise and anti-clockwise reconciliation between these extremes.

By combining the answers from a series of questions in this extended format, we can compute a profile that reveals the degree to which an individual seeks to integrate the extreme dimensions.

We continually observe how high performing individuals and effective leaders are able to reconcile opposites. For example, Richard Branson is able to switch from being David in one business situation to being Goliath in another. He reconciles the big player with the small player so that the smaller player becomes big.



### Other dilemmas of HR

The above are examples of dilemmas in HR. We find similar across the spectrum of the HR function (from operational to strategic) and typically arise from:

- Individual accountability versus team responsibility
- Objective observation/evaluation versus subjective observation/evaluation
- Evaluate behavioural differences versus intuitive differences
- Priority for HR development versus productivity
- Balanced scorecard as a development versus evaluation tool
- Development as a specialist versus development as generalists
- Technical logic versus business logic
- Taking risks versus avoiding failure
- Task versus people orientation
- Entrepreneurship versus control/accountability
- Flexibility versus efficiency
- Exploitation versus exploration
- Mentoring versus managing

Each dilemma can be reconciled following the approach described in the above examples. Essentially we ask 'how can we secure more of value A through combining with value B?' Thus the approach to reconciling the individual versus team dilemma can be approached by making individuals responsible for how they can contribute to the development of the team, and how the team can enable the development of individual members.

The new concepts described here are explored further in the new books 'Business Across Cultures' (Fons Trompenaars and Peter Woolliams), also in Managing People Across Cultures (Charles Hampden-Turner and Fons Trompenaars), both published by Capstone Wiley ~ see [www.cultureforbusiness.com](http://www.cultureforbusiness.com)