Multi-level Organizational Optimization Using Predictive Behavioral Analytics

Using Behavioral Propensity Management™ to Enhance the Resiliency, Adaptiveness, and Creativity of Organizations

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⊘ ENSENTIOUS

Brace Yourself

*You are about to make a real difference
to your organization's capacity to thrive...*

Multi-generational integration, digital transformation, business complexity, competitiveness - the pressures on organizations keep going up, and the levels of employee engagement needed to ensure resiliency, innovativeness, and productivity are remaining low.

Price Waterhouse Cooper suggests that 60% of executives will reach for a technological-mechanistic solution in their efforts to achieve better results.

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If a new approach using high quality predictive people analytics could help you rigorously improve the 'human system', the creative, intelligent, and adaptive layer of your organization, by aligning and integrating employee satisfaction, suitability, and growth to create a virtuous cycle of high commitment and performance - would you be interested?

Learn how Propensity Management can help you make a real difference to your organization's capacity to compete and thrive.

role grows the person, the person gthens the team, the team improves rganization

Thank You

for taking the time to download this white paper. We built our organization around the concepts that you will find inside. If you are interested in unleashing your own talent, or the talent of your organization, we offer workshops, self-leadership retreats, and customized programs for teams and organizations. Visit us at Ensentious.com to learn more.

The Issue and its Contributors in Brief

The creative intelligent layer in organizations, the 'human system', is disengaged just when it is needed most to ensure organizational adaptiveness and high performance in a rapidly changing world.

A decade worth of Gallup data suggests that little, if anything, has improved despite significant investments in transformation through culture change initiatives, leadership development, and the introduction of adaptive methodologies such as Agile.

Why is this happening?

A broken talent pipeline has organizations struggling with under-performing and over-whelmed staff as well as people in management and leadership positions that are ill-equipped to handle the challenges of a VUCA world.

Dysfunctional power dynamics are undermining workforce participation, agency, and performance while contributing to stress, conflict, and disengagement at all levels.

Lack of attention on employee growth is leaving workers struggling to perform and the overall human system lacking the range of leadership and focus on functionality needed to mobilize, integrate, and guide the organization through rapid change.

Global mega-trends are over-burdening weak human systems with pressures to be more rigorous, fluid, and adaptive in the face of accelerating change.

The Solution

Behavioral Propensity Management™ - a systematic and rigorous methodology for re-engaging the workforce and optimizing the health and efficacy of the human system in any organization. Behavioral Propensity Management leverages intrinsic motivation, enhances interpersonal dynamics and team functionality, and helps organizations recognize and overcome workforce blind-spots and rigidities that can derail organizational performance and successful strategy execution.

Key Success Factors

Encourage Employee Growth - build human system capacity, reduce dysfunctional power dynamics, and improve competitive advantage.

Focus on Functionality – flatten structures, expand team functionalities, and improve real-time organizational responsiveness.

Rethink Organization Charts – increase the range of options available for developing, growing, and enabling realistic career aspirations.

Keep People 'Whole' – ensure talent management practices are rigorous, transparent, and procedurally fair to re-engage workers and build commitment.

Enabling Strategies

Rebalance behavioral propensities in the c-suite to include more long-term oriented, systemic, integrative, and relational preferences.

Repurpose the Human Resources function to drive Human System optimization

Strengthen the facilitation skills of Line Leaders to support greater interdependence and teaming.

Encourage collaboration and community to create a workplace climate conducive to learning, development, and growth.
Revisit the formal management system to ensure that it serves the needs of the entire Human System.

Introduction - The Background Issue

In the past few years, much has been written about 'the future of work' and the implications of various mega-trends on the workplace. These writings have ranged from the crisis of technology-driven job losses to the boons of a technology-savvy workforce. What is clear from these writings is that there is a growing need for organizations to achieve and sustain predictability, consistency and coherence in vital operations while simultaneously inviting greater freedom of thought, fluidity in relationship, and range of task execution to achieve strategic and operational agility. In other words, their 'human systems' need to be resilient, adaptive, and even creative, to succeed in the face of escalating social, political, and technological challenges.

Typically, the health and efficacy of an organization's human system is measured by looking at such things as the prevailing levels of employee satisfaction, engagement, and retention. MacLean & Company estimates that a disengaged employee costs an organization approximately $3,400 for every $10,000 in annual salary. 2016-17 Gallup research data pegs 7 out of 10 workers at sporadically engaged, disengaged, or worse:
  • Only 22% of U.S. employees are engaged and thriving.
  • 71% of millennials are not engaged or actively disengaged from the workplace.
  • "Managers from hell are creating active disengagement costing the U.S. economy an estimated $450 billion to $550 billion annually".

    Or viewed from an opportunity lost perspective, Gallup data shows that the best managed top 25% of teams, versus the worst managed bottom 25% in any workplace, have nearly 50% fewer accidents and 41% fewer quality defects.

These statistics, and many others like them, suggest that the high degrees of engagement, collaboration, and discretionary effort needed for an organization to survive and thrive are often missing in organizations. If anything, statistics on the levels of stress and burnout, as well as rising healthcare costs, would suggest that the human systems in most organizations are ailing.

Senior leaders who are genuinely concerned about their organization's adaptiveness and performance levels might want to ask themselves tough questions like:
  • How healthy is the human system in my organization?
  • How likely is an unhealthy and dispirited human system to deliver the creativity, adaptiveness and staying power needed for my organization to survive and thrive?

Depending on their answers, some executives may conclude that the status quo is sufficient to their organization's performance and adaptiveness needs. Others may decide, based on the nature of their business, that it makes sense to reduce reliance on the human system by increasing investment in technological solutions, or even venturing into entirely new tech-based business directions that make the human system question largely redundant.

For all those executives who are leading organizations that depend (and will continue to need to depend) on the willing engagement and high performance of their workforce, the next logical questions become:

  • What is happening that is giving me these results, and what can I do about it?

A Pervasive Blind Spot

Organizations typically pay limited attention to the 'human system'. They have programs or processes that address human resource management and training and development activities as a means to ensure the availability of proficient workers. In larger settings, organizations typically also have organization development practices focused on addressing various forms of human interaction management and leadership development. What few, if any organizations have, is an executive-level process/program that is dedicated to understanding the organization's performance needs and challenges from a 'functionality' perspective. That is to say, few organizations:

- clearly define the ways in which teams, levels, units, and processes need to behave to achieve seamless functioning of the overall organizational system, and
- take steps to systematically diversify and allocate propensities to optimize their human system's capacity to meet those requirements.

This gap is highly problematic given that work always happens, directly or indirectly, through people. Nowhere is this truer than in high reliability organizations where failure of the human system can spell disaster. People and their innate propensities, plus their learned competencies, are what make up the conscious, intelligent, and dynamic dimension of every organization. This will be true until such time as artificial intelligences replicate and grow other artificial intelligences.

So, the question really becomes:

> **How can executives create healthy and effective human systems that have the capacity to perform well under a wide range of operating conditions?**

A GROUNDBREAKING SOLUTION – PROPENSITY MANAGEMENT

Understanding and improving organizational performance from a human system perspective is completely outside the realm of existing management system models and standards. As such, it invites executives to consider new paradigms, frameworks, methods, and tools that have the potential to radically improve a chronic situation. It requires executives to think about the complex nature of the human system and its relationships with other organizational systems that may help or hinder real-time responsiveness to emerging threats and opportunities. Ultimately, it challenges executives to think in terms of an additional organizational goal - one that goes beyond the traditional conception of providing goods and services, wealth for shareholders, taxes for governments, and jobs for workers – namely to foster the vitality, intelligence, and adaptiveness of their human systems as a competitive advantage. This may sound onerous, but it is a sound approach in a world of growing talent shortages, socio-economic discontent, and accelerating change.

WHAT
is propensity management

Propensity Management is a sensitive, yet rigorous improvement methodology that works directly with the passion and potential of human beings to enhance the performance and adaptiveness capacity of an organization. In contrast to typical performance improvement strategies that variously seek to inform, monitor, shape and control performers, Propensity Management equips organizations to systematically explore and evolve the performance capability of their human system through intentional diversification of workforce propensities, design of higher order units of productivity, and talent management practices that help individuals find their best-fit work and fulfill their performance and growth potential.

How Does it Work?

Propensity Management asks organizational members to share information about their interests, talents, growth needs, and performance potential using a high-quality predictive people analytic. This workforce propensity data is then aggregated and explored to understand the human system's actual and potential performance capabilities, including its rigidities and blind spots across structures and levels.

The performance expectations for jobs, teams, levels, units, even processes are then mapped for required 'functionalities' – that is the way in which these units of productivity need to perform real-time to fulfill their purpose within the larger dynamic organizational system. Information from strategic and operational plans, formal problem identification and corrective action programs, and any other sources on organizational performance data are tapped to create as clear a picture as possible of the functionalities required for success. This information is captured in the form of an Organization Design Basis to help guide talent allocation and development decision-making on a running basis.

Using performance models as diagnostic lenses through which to understand role, team, and organizational needs, people are then helped to find their most valuable and fulfilling places to contribute. For those with willingness and potential, this talent allocation process also factors in their desire to develop and grow as human beings, thereby building the organization's human capital over time.

Depending on an organization's size, diversity of operations, mobility and turnover rates, as well as its ability and willingness to (re)bundle work, individuals are given significant support in meeting their vocational needs and aspirations. By replacing the scratch-and-scramble-to-get-ahead model that leaves many in the workforce feeling defeated, organizations raise workforce optimism, engagement, and commitment while also securing higher performance.

Strategic and operational agility are supported through intentional design of 'mobilizing constellations' – structures that are predisposed to perform in desired ways by ensuring right-fit of the interests and passions of the people occupying them. This reduces the need for extrinsic motivators, compensatory programs, and sophisticated leadership capabilities that may not be readily available, or in sufficient supply, depending on the nature of an organization's business.

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Why Behavioural Propensity Management Can Improve Human System Performance

Propensity Management makes it possible to systematically enhance functionality and intrinsic motivation of an organization's human system at three different levels of granularity:

> At the job level, *Propensity Management* makes it possible to screen for behavioral trait profiles that are essential for high performance. More specifically, it enables organizations to reach beyond traditional resourcing practices that rely on self-sell, hearsay, and past accomplishments to gauge suitability, to predict situational excellence in the future. This greatly increases the likelihood that an incumbent will be able to perform as needed, even under adverse conditions. Applied to management and other key roles, this alone can make a step-change in human system performance.

At a team level, Propensity Management makes two forms of improvement possible using a team performance model as a diagnostic lens:

#01 Diagnosing and/or designing groups to ensure that they have the behavioral propensities needed to function as a team i.e., the group can formulate a direction, come to agreement, make decisions, etc. Without core teaming propensities, groups will struggle and under-perform in predictable and preventable ways.

#02 Diagnosing and/or designing teams to ensure that they have the behavioral propensities needed to deliver against their mandate e.g., a liaising team requires very different propensities than does an innovation team to fulfil its functionality within a structure. This form of performance improvement can include assessment of a group's potential for 'intentional teaming' (i.e., individuals flex their personal styles to bring some behavioral propensities forward while quieting others), as an additional way to enhance team collaboration and functionality.

At an aggregated level, *Propensity Management* makes significant insight into the performance capacities of units, levels, processes, and entire organizational structures possible. For example, understanding whether the frontline leadership level in an organization has the behavioral propensities needed to solicit high engagement from a diverse workforce is an important performance improvement question. Knowing which of these leaders has the additional behavioral propensities to support a significant shift in business strategy is a bigger question that is very relevant given a VUCA world. And knowing which of these leaders complement their wealth of operational knowledge with the behavioral propensities needed to succeed in mid- and executive levels can be a mission critical question.

Propensity Management in Action

To take this from the abstract to the concrete, consider the following real-life mini case:

A multi-source electrical utility established a strategic planning group to develop a 50-year vision and plan to meet the jurisdiction's future generation needs. Members of the team were chosen from across the utility based on their type and breadth of credentials, depth of experience, and recognized high performance as seasoned engineers. The team was supported by financial analysts, supply and demand forecasters, as well as a professional communicator, and a facilitator to aide their process.

The team struggled to deliver against its mandate despite dedicated time, a clear mandate, and an abundance of the behavioral strengths that make great engineers:

- ✓ Capacity to tackle intellectual ambiguity by using logic, quantitative supports and consequential thinking to identify common sense solutions.

- ✓ Willingness to assume full accountability for what happens and being first to invite criticism and personal responsibility.

- ✓ Quest for impeccable standards and the best quality possible through devotion to meticulous excellence.

- ✓ High-minded convictions and the desire to maturely honor interpersonal commitments and play by honorable rules.

> Once the executive redesigned the team to include propensities for consensus building, exercising influence, thinking holistically, and intense imaginative foresight, the project took off and the team delivered a Board-approved plan within the original project timelines.

The senior executive was perplexed until the team's composition was viewed from a propensity perspective. Not only did the team's strengths lead them to focus on data, details, and strongly held personal positions, they did not possess the propensities required for teaming or to fulfil the core functionality of their mandate – to envision and scope out a desired future state. Once the executive redesigned the team to include propensities for consensus building, exercising influence, thinking holistically, and intense imaginative foresight, the project took off and the team delivered a Board-approved plan within the original project timelines.

Propensity Management helps to solve the chicken-and-egg conundrum of performance improvement by making human system performance less of a mystery and more of a manageable reality. It makes it possible for CEOs to objectively and factually gauge whether organizational intent as expressed in strategies, structures, and processes can be brought to life by the propensities of a given workforce and where to invest to optimize the human system's performance capacity. This rigorous approach can mean the difference between organizational success and failure.

But Special Attention is Needed

The benefits to be gained from Propensity Management depend on the quality and versatility of the predictive people analytic used and the mindfulness with which it is used. First and foremost, it is essential that the talent analytic has been expressly designed to help individuals gain insight into themselves and make informed choices about how to balance their own needs for personal growth, career satisfaction, and career success while honoring their obligation to work in the best-interests of the organization. Only by prioritizing satisfaction of intrinsic needs can they meaningfully increase employee engagement and performance in the workplace.

Secondly, the psychometrics must have been specifically designed for the purpose of optimizing person-job fit, person-team fit, and workforce-strategy fit. As such, the psychometric(s) should provide:

- an end-to-end talent management human metrics system i.e., once an individual has submitted their answers to the questions, the data can be mined for a variety of purposes,
- insight into behavior at both individual and aggregated levels such as team dynamics and team functionality,
- interpretive frameworks that relate behavioral dynamics to different dimensions of role, team, and structural performance so gap analyses can be performed,
- sufficient rigor, predictive power, and range of application to meet the organization's needs,
- interfaces and user-training that empower executives, individuals, line leaders and teams, as well as talent experts to make well-informed decisions.

The psychometric should also provide insight into career satisfaction and career success. Why? It is possible to find interest and enjoyment in a direction without possessing the traits to perform well (this is best treated as a hobby), and vice versa, to be well suited to a direction

and find little interest or enjoyment in it (a common career trap). Both are destructive to long-term quality of life, health, and engagement. Predictors of satisfaction and predictors of success combined provide the strongest basis for career decision-making by individuals and organizations.

To realize the benefits of *Propensity Management,* executives (not just HR professionals) need to become deeply interested in how their organizations attract, empower, and weave talent into a healthy human system that maximizes collective intelligence and adaptive capacity. This interest needs to manifest not only at an espoused values level, but at very pragmatic levels in terms of how the organization's talent attraction, talent analytics, talent allocation methods, accountability matrices, learning technologies, and leadership practices support the health and efficacy of the human system.

Executives who are up for the challenge of solving the human system puzzle, need to start with an understanding of the key causes and contributors to workplace malaise.

Understanding the Roots of the Problem

Organizations exist as a continuous interplay of several complex systems. Together, these systems shape how organizational members understand their work responsibilities, their operating context, their priorities, and what is valued about them personally. These systems include:

The **hard or soft technology** on which the organization is based
- Technology (both primary and support)
- Financial resources
- Information resources
- Physical resources

The **organizatioal structure** established to coordinate relationships
- Role, level, team configurations
- Geographic, functional, satellite, and contractual configurations

The **process** used to operate and manage the organization
- Governance, executive, core, and support requirements and controls

The **human system** which includes the innate propensities (talents), learned competencies, meaning systems (how individuals uniquely interpret their world) and behaviors of individuals, teams, and leaders
- Team leadership that organizes work at all levels of the organization Financial resources
- Unitive leadership that looks strategically at systemic and systematic integration
- Management that addresses interface issues and staff engagement activities
- Culture that provides shared meaning

The evolving **operating context** driven by external forces:
- Customers, competitors, regulators, public
- Outcomes and impacts of the organization's activities
    - i. Business outcomes (profit, market share, growth, risk, etc.)
    - ii. Human outcomes (development, health, wellness, compensation, security, etc.),
    - iii. Organizational outcomes (reputation, productivity, quality, diversity, etc.)
    - iv. Societal outcomes (contribution, job creation, etc.)
    - v. Ecological outcomes (resource efficiency, sustainability, etc.)

Organizations need to maintain sufficient coherence among these systems to ensure integrity, and enough flexibility to adapt to rapid, and sometimes, even radically shifting circumstances. For this to happen, the organization's leadership needs to have the breadth and depth of capacity to understand and manage this scope of variables, while the broader human system needs to have the capacity to flex and flow without losing momentum. *'Capacity,' in this context, is referring to much more than headcount and productivity. It is referring to every level of the human system having the behavioral strengths and potential to meet the organization's emerging needs head on.*

Organizational Capacity and the Implications of a Broken Talent Pipeline

The majority of organizations grow organically, meaning that resources are added as the work of the organization expands and grows. Localized hiring practices add talent as needed within the confines of approved budget dollars and headcounts. This means the organization's overall workforce capacity is rarely planned and, in most cases, not well understood beyond basics such as credentials, area of specialty, and years of experience. This gives the organization's senior leadership limited information to go on when trying to size up their organization's capacity to deliver on different business strategies and leaves the Human Resources function largely blind to the true enhancement needs of the human system.
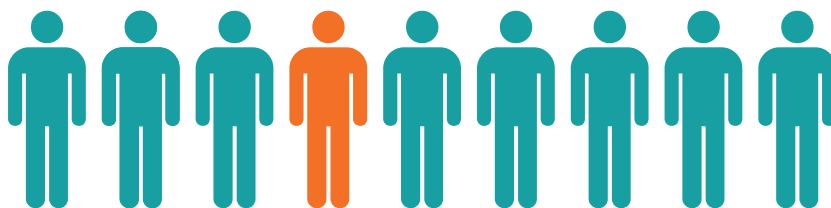

These risks are multiplied by the fact that credentials are a poor indicator of a person's actual interests, strengths, and potential. Most secondary and post-secondary institutions do not invest time and money in ensuring that students understand their behavioral preferences, career interests, and suitability for different career directions. The result is a high number of students pursuing educational and career directions for which they do not possess the traits and interests to make them long term high performers.

Most educational institutions also do not help students understand their relative suitability for self leadership, technical leadership, people leadership, thought leadership, or business leadership. As a result, many people move into organizations without understanding whether they do or do not possess the people and business leadership strengths to climb the corporate leadership ladder.

This leaves organizations with the challenging task of trying to:

- motivate high performance in individuals who are bored, fatigued, or outrightly overwhelmed by the day-to-day

- manage the career expectations of individuals who think they should be in management roles but who do not bring the required leadership talent to be effective,

- help individuals overcome innate behavioral preferences so they can lead productive work-lives and not lose the investment they have made in wrong-fit education and career paths,

- overcome leadership deficits in their management ranks that chronically inhibit organizational performance.

60%-70%

of people are in poor-fit roles
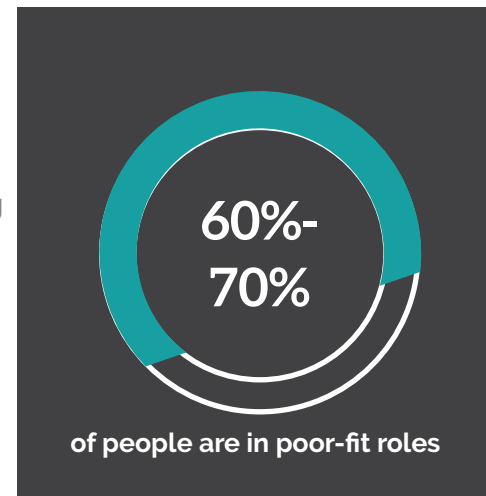
Best estimates suggest that **60-70%** of people are in poor-fit roles as a result of the ineffectiveness of the talent pipeline and organizational selection and promotion practices that do not recognize and work to correct misalignments. It is not hard to understand how this contributes to the discouraging statistics on human system health and effectiveness from two perspectives: under-performance and frustrated career potential of individual contributors, and inadequate people and business leadership strengths in management roles. Both represent systemic weaknesses in an organization's human system that place very real constraints on the organization's potential for high performance.

Under-Investment in Employee Development and Growth

People have an in-built impulse to become who they are - to realize their native talents and potential. Early in life this process is influenced by families, friends, educational institutions, and societal messaging as they mature and gain knowledge, hone skills, and develop socially acceptable behaviors.

In adulthood awareness and support for this maturation process diminishes as individuals assume responsibility for meeting the performance and productivity demands of the workplace. Yes, in-classroom, online, and on-the job training may still be provided to support skills-building. And in larger settings individuals may also be provided opportunities to develop behavioral competencies that improve their problem solving, relationship-building, and increase productivity in support of desired workplace norms and outcomes. But that is pretty much where it stops.

To the extent that these development activities align with a person's natural talents and level of maturity, they will enhance performance and clear the path to growth. When out of alignment, they will create stress and little return on investment as the figures readily show. Why? Because support for the maturation process needs to expand beyond its limited focus on outside-in learning and development to include inside-out growth and unfoldment.

GROWTH is what happens when individuals gain successively broader perspectives on self and life (often via ever deeper connection with their inner reality). Growth makes individuals progressively more adept at handling ambiguity, exercising wisdom and compassion, and putting the interests of others and the organization ahead of themselves. It is the product of contemplation, intuition turned inward, and spontaneously arising insights that expand awareness and give new meaning to experiences. Growth cannot be forced, but it can be encouraged by a conducive environment that values self-knowing and self-actualization as an important factor in high performance. Unfortunately, few are the organizations that encourage and support employee growth, but without it, maturation is frustrated. The rising interest in mindfulness practices is one response to this dire need.

UNFOLDMENT is the natural outcome when the growth process is nurtured over time, and a person's pure potential becomes manifest – when inner and outer become fully aligned and integrated. It is a non-linear path that is more discovered than chosen, but that has as its inherent goal, maturation of the individual into their 'best self'. At no time is an individual a more robust and effective contributor than when they are acting from this place of integrity and full empowerment within themselves.

Just as growing conditions can dwarf a tree, misalignment in terms of education, career direction, and natural unfoldment cannot help but severely impede a person's maturation. The result is stagnation, disaffection, and disease with the concomitant negative impacts on the health and efficacy of the human system. *Nowhere is the impact more damaging to organizations than if the individuals placed into management ranks are stalled in their maturation process because they inhibit the growth and unfoldment of others and sustain immature organizational cultures and practices*

This predicament is perpetuated and intensified in many organizations by the tendency of like-hiring-like. Filling management ranks with poor-fit talent that mutually reinforce their perspective, makes the organization substantially blind to important factors inhibiting full engagement and high performance. The expert cultures that pervade many organizations are highly susceptible to this pattern since technical leadership is often pitted against, rather than intentionally enhanced with, self-, people-, business-, and thought-leadership..

Dysfunctional Dynamics

In addition to the constraints created by workforce misalignment, and under-investment in employee growth, human system performance is substantially confounded by social dynamics that chronically undermine personal agency and workforce participation.

Power Dynamics

Viewed from a very broad perspective, human development theory suggests that most adults naturally mature at different rates into one of three levels of mind. Each of these levels represents a progressively more sophisticated capacity for autonomy:

- In the first level, 'socialized mind', the beliefs, values, attitudes, and sense of identity of an individual are largely defined outside-in by peers, bosses, popular culture, etc. Estimates suggest that 75% of the adult population function from this externally defined level of mind and depend on alliance-building to achieve a measure of power and impact within a social system.
- By the second level, 'self-authoring mind', the person's ways of thinking and acting are determined by their inner guidance and sense of self. Approximately 17% of the population fall into this level of self-empowerment where they will rely on themselves to such an extent that they may be perceived as iconoclastic thinkers who stand outside and challenge the status quo.
- At the third level, 'self-transforming mind', the person can easily connect with other minds and work interdependently to further an agenda without losing their own sense of inner grounding and self-direction. Approximately 8% of the population have the capacity to be fully open to the minds of others. This allows them to freely select what make sense to them from their interaction with others and to integrate it into ever more expansive and sophisticated worldviews.

As might be expected, each of these levels of mind result in different power dynamics when they encounter structural factors such as the social class, religion, gender, ethnicity, etc., of the persons involved. The convergence of inner and outer factors will empower engagement, contribution, development, and even growth of some individuals while undermining that of others.

At the risk of gross over-simplification, consider the following 3 examples of how a person's level of mind will interact with structural factors to create very different levels of engagement:

- **Individual A** is operating at the level of socialized mind. This person is highly attuned to the views and opinions of others and strives to emulate their behaviors. They will dominate their own free will and conscience in their effort to fit-in. They may not even speak up in situations where serious harm could come to themselves, others, or the organization for fear of rejection. Situated in an empowering context where one or more structural factors are in their favor, this person is likely to be a willing contributor and team player. If confronted with a structurally disempowering setting they are at considerable risk of self-exclusion based on external biases which will leave their talents under-utilized and under-developed.
- **Individual B** is operating from a self-authoring mindset. Profoundly attached to their own beliefs and positions, this person will struggle to succeed, even in the face of disempowering structural factors. Given an empowering context they will act as a willing contributor, and potentially as a change agent or even combative activist. This person's talents are likely to become visible and honed, but with much more effort and stress than what would be the case if they had greater openness of mind and/or outer structural support.
- **Individual C** is an older person operating from a self-transforming level of mind. This person can connect with the mindsets of many others and demonstrate mastery on behalf of their own, another's, and even an organization's interests without losing their sense of self and inner guidance. If this person is a member of one or more structurally disempowered groups, they will progress despite the odds. If structurally empowered, they will be almost unstoppable, possessing a level of agency that can substantially transform an organization.

There are, of course, many more permutations on personal agency than the three sketched out here. What is important to consider is that the health and effectiveness of the human system is substantively driven by these intra- and inter-personal power dynamics. Many, if not most, organizations do not explicitly take the time to understand this very complex aspect of the human system and are therefore highly likely to perpetuate (if not intensify) power dynamics that overwhelm the capacity of many of their members to engage at the level of their true potential.

Gender Dynamics

Gender discrimination is a longstanding and global phenomenon with real implications for human system health and effectiveness. Typically, this issue is talked about from the perspective of wage parity and the diminishment of female workers, or the enormous premium paid by organizations to sustain a male-bias in hiring practices.

Recent studies are revealing a different consequence to gender discrimination. An MIT/Carnegie Mellon University study has shown how gender diversity increases collective intelligence because workers are more prone to listen to each other, more open-minded, and better able to accept constructive criticism rather than attempting to dominate the

conversation and rush decisions. This contribution to constructiveness in an organization's culture has very tangible implications for business success. The 19-year study of 215 Fortune 500 companies showed positive correlations between the balance of men and women in leadership positions and profitability. The 25 best firms for women out-performed their industry medians on all three measures of profitability: 34% higher profit margin; 18% higher asset value, and 69% higher stockholder equity. One 2015 report found that women CEOs in the Fortune 1000 drive three times the returns of S&P 500 enterprises predominantly run by men.

The strengths that women naturally bring to the workplace and that set their contribution apart are based on differences in brain formation that inform and influence perception, problem-solving, communication, leadership, decision-making, stress-management, prioritization, and emotional intelligence. (Gender Intelligence Group, 2107) High-performing female CEOs bring demonstrably greater capacities for:

- comprehending broad big-picture scenarios before choosing the best strategy to address business problems and, focusing intellectual effort for long periods of time rather than seeking the easiest and most practical solutions.
- delivering articulate recommendations with the belief that communication and problem solving are interconnected, requiring a sense of verbal diplomacy and even an artful sophistication.
- approaching others in the workplace with empathy and genuine curiosity and sincerity as to another's lived experience when conflicts arise.
- aspiring to the highest ethical standards, interacting with others ethically and honorably and, expecting the same behavior from others. (SuccessFinder, 2017)

To the extent that organizations persist in systematically excluding women from senior leadership ranks, they are substantially undermining the foresight, relational health, and systemic thinking that women often bring and that are essential to long-term organizational survival and performance.

Introversion-Extroversion

Fully 1/3 of the workforce are introverts, which means they prefer listening to speaking, learning to socializing, and innovating and creating to self-promoting and asserting. These preferences allow introverts to focus on absorbing data, synthesizing disparate information, and generating novel insights and ideas based on a multifaceted understanding of what is around them. When coupled with high sensitivity, these talents make introverts attuned to hidden dynamics and higher orders of coherence and possibility. At their best, introverts are the primary source of the creativity and innovation that many organizations are seeking.

And yet, cultural norms codified in selection, promotion, succession, and recognition programs frequently judge their shyness negatively. Rather than working to attract and nurture the inward-focusing talents of this segment of the workforce, most organizations pressure introverts to behave in accordance with an extroverted ideal that emphasizes connecting, expressing, and acting. This pressure often includes insistence on creating working conditions that are counter-productive to the performance needs of introverts. Conditions such as lack of quiet and private spaces, forced collaboration, and expectations for verbal prowess and competitiveness, all of which are disruptive to the focused concentration that introverts need to make their best contributions.

Preference for the extroverted ideal becomes doubly ineffective when leadership behaviors are based on the mistaken belief that introversion and lack of initiative go hand-in-hand. Whereas extroverted leadership behaviors can help employees who lack initiative to perform, they have a dampening effect on self-initiating individuals. Introverted leadership behaviors enable high performance in employees with initiative because they are far less inclined to dominate the social situation and more likely to listen and implement suggestions from engaged employees.

To the extent that organizations do not have a sophisticated understanding of introversion and extroversion, they create undue barriers and stress for introverts, risk losing access to the creativity and innovativeness these individuals can bring to the workplace and hamper the performance of many self-initiating employees.

Compounding the Problem - Global Change Trends

If the inherent drain on organizational performance potential wasn't enough, global trends are putting pressure on four important levels of organizational functioning:

Meaning-purpose level – which has to do with how members relate to the overarching purpose/mission of the organization; how the organization's form, functionality, and culture support realization of individual and collective purpose, and how improvement and renewal are prized to maintain vitality at all levels. Currently, changing values and aspirations, including a strengthening desire for self-actualization, meaningful work, and purposeful contribution to social good, are placing new demands on employers as they seek to attract and retain a committed workforce.

Relational-interdependence level – which deals with how individuals and teams collaborate; how they value psychological safety, relational trust, and inclusion, and how willingly they contribute to learning and growth of others and the organization. Currently, millennials and beyond are looking for more meaningful opportunities, rapid feedback, and inclusion in systems where their value is determined by their contribution, not their level and title. Employers are being expected to provide empathic leadership and supportive, immersive environments where decisions are made without a 'command and control' management structure, and where the 'culture of collaboration' is replacing the 'culture of competition'.

Activity-task level – which involves how members use targets, tools, time, and technologies to rapidly ascertain risks, clarify goals, and shape responses; how they shift priorities and streamline actions to minimize waste, and how they maintain adherence to critical expectations and standards. Currently, online learning is passing the baton to employees to meet their own learning, development, and management needs. Organizations are being forced to rely less on building programs and processes, and more on developing tools, apps and interventions for mobile technologies to help employees be autonomously productive.

Choice-point outcome level – which includes how individuals and teams reduce the ranges of possibilities into intended outcomes; how they weigh business, human, organizational, and environmental impacts, and how they understand and balance diverging interests. Currently, employees are moving into customer-, product-, market- and mission-focused teams that are blurring the lines between in-house and contingent workers. Organizations are having to help these networks of teams move fluidly from one bundle of work to the next and achieve results without the help of traditional power structures and supports.

Disruption at these different levels is happening in virtually every organization. Not only are they stretching what are in many cases weak management and leadership capacities, they are compromising the efficacy of the formalized management systems and other improvement methodologies that many sectors (e.g., oil and gas, pharmaceutical, banking, healthcare, etc.,) rely upon to ensure operational excellence. Gallup estimates that organizations with healthy and engaged workers have up to 48% fewer safety incidents and 41% fewer quality incidents (defects). *This suggests that increasing disruption calls for increasing levels of employee engagement to maintain safe and reliable operations.*

Internal Impediments

Understanding how and why an organization's human system has become compromised doesn't solve the problem. The next step is to look at the power of various internal mechanisms to ameliorate the situation.

ONLY

27%

of business leaders trust & support their HR function

Human Resource Management

The primary purpose of Human Resources functions is to systematically and conscientiously administer the legal and psychological contract between workers and employers. They perform a continual enculturation function that formalizes the status quo of 'how we perceive and treat people around here'. They do this in a variety of ways:

At the most basic level, Human Resources functions supply specialty expertise and control specific organizational parameters such as total complement, payroll costs, hire/fire and labor relations legalities, etc., that proscribe the human system.

They typically also define and administer a range of 'support mechanism' such as succession planning, job evaluation, etc., that perpetuate the organization's norms and values up to and including what propensities are given primacy within the human system. If their mandate includes training and development or organization development accountabilities, they also help to promote the organization's espoused management and leadership perspective in the classroom and directly with workgroups.

These accountabilities clearly put human resource professionals in a complicated situation where they need to broker between the interests of the employer and the interests of workers. The less invested an organization is in the health, wellbeing, and fulfillment of its workers, the more compromised and mistrusted the human resources professionals are in the execution of their brokering role.

To help navigate this contentious territory, human resource professionals rely heavily on 'past practices', with the net result that they lag instead of lead when it comes to addressing human system performance issues. Despite being the 'people' experts who are often passionate about helping people, human resources professionals are rarely entrusted with the difficult yet rewarding task of understanding the organization's performance challenges and systematically enhancing the health and performance capacity of the human system.

McLean & Company research suggests that only 27% of business leaders trust and support their human resources function, which means that the human resource professionals who often see the human system problems do not have the mandate needed to make a meaningful difference.

Formalized Management Systems

Over the past three decades, many organizations have been encouraged or required to establish formalized program- or process-based management systems that seek to ensure high performance by substantially defining who does what, under what circumstances, and how. This has been particularly true in highly regulated environments. These systems endeavor to bring all the relevant internal requirements and external standards related to Safety, Health, Environmental, Security, Quality, Economic, and Social Responsibility together in one documented system that increases transparency and accountability for how the organization operates. They enable systematic, fact-based performance improvement through problem identification and corrective action programs, ongoing measuring and monitoring against key performance indicators to aid decision-making, and assessment, audit and root-cause analysis processes to enhance the system overall.

Whether process- or program-based, the effectiveness of these systems is challenged by the extent to which they are ignored or resisted, or they inhibit, misdirect, or fail to guide the decisions and actions of organizational members. Staff involvement in design and development of the systems, and ease of revision of documentation are thought to reduce these risks. However, when positional, structural, and program/process controls are all active in an organization, the opportunity for initiative, creativity, and agency at a worker level are significantly curtailed, and with this the willing engagement of the workforce suffers. Management system constraints layered on top of human system limitations, are as likely to obfuscate and compound underlying performance challenges, as they are to relieve them.

Stated differently, in the face of performance constraints within the human system, rapidly shifting worker expectations, disruptive technologies, and volatile operating contexts, the rigidly defined management systems that leaders are banking on to maintain high performance are more likely to be a hindrance than a help when it comes to strengthening the organization's capacity for rigorous adaptiveness.

Popular Adaptive Methodologies

Confronted with the need to improve performance, many organizations have been adding adaptive methodologies to their tool-kit.

Agile™ principles and practices place focus directly on an organization's capacity to renew itself, adapt, and change quickly at three different levels:

- Strategic agility, which increases rigorous adaptation by spotting rare but substantial opportunities more quickly and taking bold steps at the CEO/BOD levels to realize them through mergers, acquisitions, or other rapid growth strategies.
- Portfolio agility, which achieves rigorous adaptiveness by looking more closely at how resources are distributed across diverse operations and making timely calls at the executive level on when to redistribute dollars and people in response to changing circumstances.
- Operational agility, which focuses on rapidly identifying revenue-enhancing and cost-cutting measures within day-to-day operations to increase organizational success overall. It relies on principles and practices that provide greater autonomy, calculated risk taking, learning, and interdependence at the front line to ensure timely right action.

The logic and potential benefits of these different levels of Agile are clear. What is not clear is how they factor the organization's actual behavioral strengths into their decision-making. For example, when pursuing mergers or acquisitions, how much do the decision-makers understand about the existing leadership talent's capacity to handle the transition and function effectively in the newly created reality? Or when redistributing people across different operations, how clear are the decision-makers on the performance capacity and social dynamics they are creating in new staff configurations? In short, the power of *Agile* is compromised by its blindness to underlying propensity dynamics that can accelerate or confound its intended impacts.

Resiliency Engineering™ is another way that organizations are endeavoring to improve performance and mitigate organizational risk in dynamic situations. In this paradigm, 'success' is based less on controlling every action, and more on increasing the ability of organizations, groups and individuals to anticipate and respond appropriately to the changing shape of risk and opportunity in their context. More specifically, the focus is on ensuring that the organization can adjust its functioning prior to, during, or following events (changes, disturbances, and opportunities), and thereby sustain required operations under both expected and unexpected conditions.

Again, the logic and potential benefit of Resiliency Engineering is very clear. However, the approach amplifies questions around how to ensure that a human system has the behavioral capacity for real-time risk assessment, opportunity recognition, and timely right-action, when the information, tools, and methods are made available?

Both these methods have much to offer organizations as paradigms for improving organizational adaptiveness, but they are vulnerable in the same way. They beg the ultimate question, what is the level of understanding and regard for the organization's actual capacity to 'make it so' – whatever 'so' is? Compensatory programs can never deliver at the same level that right-fit talent leveraged by a sound strategy can.

Change Management

The enduring allure of organization improvement approaches that focus on introducing and managing new information flows, policy/program/process solutions, or technologies, is that they stay in the realm of the impersonal. They are easily understandable to objective linear thinking and can be implemented with little personal skin in the game. In other words, they rarely threaten ambition, mindset, or ego. As may be expected, their relevance for meaningfully enhancing the health and effectiveness of the human system is remote.

This remoteness is somewhat diminished when improvement efforts move in the direction of culture change and leadership development since these call for self-examination and self-management in terms of personal behaviors and meaning systems. Individuals are expected to accept feedback and figure out how to live up to the expectations of others and the demands of emerging situations in more ways than simply doing what they naturally do. These approaches have greater potential to influence an individual's on-the-job behavior but are also more likely to spark anxiety and resistance if they start calling for behaviors that are not in alignment with peoples' natural talents and levels of mind.

Organizations that do not understand when their change efforts are calling for employee growth, and then do not honor the prerequisites for individuals embarking on this profound level of personal transformation, will create stress, confusion, and backlash. Growth cannot be forced. At best, individuals can be encouraged to explore their personal growth edge through invitational processes that facilitate insight into the mindsets or inner realities that drive their behaviors. Only through gaining insight into the limitations of their own mindsets can individuals potentially access more open, fluid, and encompassing mindsets i.e., more mature levels of mind.

It is not by accident that change management success rates remain stubbornly pegged at 30% despite decades of methodological refinement. This root reality is persistently overlooked. In an increasingly volatile, uncertain, complex, and ambiguous world, organizations are embarking on change strategies that put pressure on misalignments between natural talents and role demands, and in many cases risk over-burdening the mental maturity levels of their members.

Change Management Success Rates Remain at Only **30%**

Key Success Factors for Working with Propensity Management

- **Encouraging Employee Growth**

- **Shifting from Task Delegation and Control to a Team Functionality Model of Performance**

- **Expanding the Opportunities for Talent-Work Fit**

- **Keeping People 'Whole'**

- **Meeting Vocational Needs**

Encouraging Employee Growth

Optimization of the human system requires organizations to make a commitment to help willing and interested employees develop and grow so they can make their best contribution and fulfil their career potential. This commitment goes well beyond traditional concepts of fair treatment, stable employment, and opportunities for career advancement. It speaks to an active investment in helping individuals shift energy currently wasted on hiding their flaws, shifting blame, and self-promotion, to seeking feedback, taking risks, broadening proficiencies, and realizing their personal and professional best-selves. The reason for this goal is that a clear commitment to the growth and unfoldment of people will establish a basis for trust and a sense of mutuality around something that is intrinsically meaningful to every single individual in the organization.

Shifting from Task Delegation and Control to a Team Functionality Model of Performance

Organizations frequently create the illusion, based on accountability matrices, hierarchies, and competitive behaviors, that the most significant understanding of what is going on and how best to proceed, resides in designated decision-making positions. This perception is a consequence of the roles serving as 'control points' for ensuring the orderly flow of work and utilization of resources. Unfortunately, because they are often 'lagging' in terms of real-time information, these positions risk impeding organizational agility.

Control-points tend to amplify dysfunctional power dynamics that create silos by championing insider-outside identities. They call for cooperation to reduce tensions and confusion internal to a work group, and competition to motivate high performance based on the joy of beating an external opponent. While effective in the right setting, these modes undermine the bridging behaviors conducive to information sharing and interdependence which are essential to collective intelligence and adaptiveness.

Real-time organizational responsiveness improves when reliance on single control-points and task delegation is replaced by an emphasis on collaboration and team functionality. When guardianship for legal, ethical, and resource constraints typically vested in control-points is exercised on-the-ground and as an intrinsic part of the cross-pollination, proto-typing, plan re-visioning, and collaborative problem-solving organizational adaptiveness and performance cannot help but improve. By not separating doers and decision-makers into different echelons and silos, the organization becomes much flatter and more responsive to emerging reality at the customer-facing level.

This level of organizational responsiveness is greatly aided by intentional teaming, a process that holds all parties accountable for achieving their own, their team's and the organization's best outcomes. A learnable process, intentional teaming invites group members to step forward when their propensities are needed and to step backward when other propensities are more important based on the demands of the work. Self-importance, damaging rivalry, and mindless followership are actively discouraged to allow best-thinking to surface and be acted upon regardless of where it comes from.

Expanding the Opportunities for Talent-Work Fit

Identification of talent misalignments (both natural inclination and level of maturity) challenges the organization to get creative around solution that are not grounded in training, coaching and incentivization to make people demonstrate behaviors that do not come naturally to them. This has been the path to date and the return on investment data is far from compelling.

What is needed is a new way of looking at organizations. Organizational structures tend to be seen either as useful groupings of jobs that enable the orderly execution of different types of work, or as hierarchies that define the power and accountability relationships between people and groups. Neither is very helpful when trying to improve alignment between the actual strengths and interests of people and the needs of the organization.

For this purpose, it is more useful to think of structures as representing the range of opportunities available for employees to develop and grow within the confines of the work the organization needs to have performed. *This simple change points the way towards human system optimization and challenges the Human Resources function to assume a new role.* Specifically, it asks them to determine the nature and extent of the misalignment between what employees have the passion and potential to do and what they are doing, and then to identify as many ways as possible to reduce this chronic drain on the organization's performance potential. Strategies can include such things as:

- re-visioning career ladders as lattices, or webs, that allow for lateral movement as well as multiple paths into management, so, rather than slowly climbing the career ladder, employees have opportunities to grow and excel in many different roles and capacities that are meaningful to them.
- re-thinking projects as fluid settings in which to give employees needed development opportunities while using propensities to ensure that the assignments strengthen the team's social dynamic and functionality.
- re-bundling work so rare talents can be used to best effect while giving the individuals the opportunity to shine.
- complementing developmental assignments with growth supporting opportunities to allow individuals to do the inner work of self-transformation.

Keeping People 'Whole'

Any improvement approach that works with human performance at a profound level must invite people to look at their natural preferences (strengths and challenges) as well as their suitability – in other words, it must be deeply personal. Its power to help individuals and the organization directly depends upon its capacity to accurately assess and predict the likelihood of satisfaction and success in different situations i.e., an individual's capacity to deliver what is needed for high performance. At the same time, it makes transparent any gaps between a person's career ambition, their capacity to fulfill the requirements of a position, situation, or desired career path, and the availability of a right-fit career path within the organization. *Propensity Management is by far the most effective way of addressing the root causes of human system underperformance, and it requires the greatest sensitivity and trustworthiness on the part of the organization to realize its benefits.*

In practical terms, this means adopting talent management methods that are transparent and committed to supporting people in their efforts to becoming their best selves by:

- providing confidential predictive assessments to help individuals understand the career direction(s) in which they are most likely to find satisfaction and success, and to help them recognize their personal and professional growth edges,
- clearly stipulating where the potential consequence of underperformance warrants the organization establishing high suitability as a prerequisite for placement in a role, and what that level of suitability is,
- including on-the-job performance assessments that validate predictive assessments to bring the process out of the realm of numbers and into the undeniable practicality of day-to-day work.

Using this approach, there are no 'black-box' processes that can be interpreted as favoritism or discrimination when applied to all interested parties. When an individual's passion and suitability for an opportunity are high, the organization should give as much freedom as possible for the individual and the team they would be joining to choose each other, because the overall risk of underperformance is low.

In circumstances where there is a substantial disconnect between what an individual is passionate about and what they are likely to be successful at, the organization needs to factor operational risk into the decision-making process. Specifically, positions requiring minimal risk of underperformance should only be made available to individuals with high-suitability. This precaution can thwart peoples' career ambitions and will engender frustration. Therefore, the rationale for the criterion needs to be clearly justified.

For individuals already working in roles (or on career paths) for which they are predicted to be a poor fit, performance information must be used to gauge whether it is important to encourage them to take on different, more suited work, or whether they can be grandfathered in the work. Again, this situation must be handled with utmost care to avoid creating unnecessary fear and disruption for individuals. Help transitioning to better-fit roles must keep individuals 'whole' to maintain trust and openness towards the organization's efforts to optimize the human system. The right psychometric tools introduced in the right way can help the members of an organization become more behaviorally savvy about themselves, others, teams, and how to invoke the full power and intelligence of the human system. Emotional safety, confidentiality, and credibility of the assessment practitioners, are essential to successful implementation.

" Propensity Management is by far the most effective way of addressing the root causes of human system underperformance, and it requires the greatest sensitivity and trustworthiness on the part of the organization to realize its benefits.

Meeting Vocational Needs

In addition to rethinking organizational structures, re-bundling work, and enhancing functionality, organizations would also do well to revisit their assumptions around the needs and expectations that individuals bring to the workplace. Vocational incentives and lifestyle priorities differ from person to person. For example, some

Others are more drawn to 'nesting and nurturing' and typically need stability and a secure employment footing to do their best work. Misalignment at this foundational level can severely erode motivation and performance. Like the talent cherry-picking strategy used by the emerging gig economy, organizations can improve motivation and loyalty by rethinking their 'rules of engagement' to better meet the diverse lifestyle priorities and vocational incentives of workers.

Prioritizing Evolution of the Human System

Solving human system performance problems is not a quick and easy fix. Any single organization is not going to be able to transform the global talent pipeline. It can adopt tools that will substantially increase the rigor of its own recruitment and selection processes, but even when better-fit talent is coming in the door, organizations will still have the legacy problem of talent misalignment in their ranks. They will need to decide whether to continue applying traditional workforce management practices in the hopes that greater attention to their application will improve results or adopt new ways that are specifically focused on optimizing the human system. Traditional approaches have predictable results. New approaches have greater risk and greater potential for helping organizations make the step-change they are seeking provided they are implemented with due care.

The following five levers are recommended strategies to help realize the full benefits of *Propensity Management*:

#01　Balance Executive Propensities

The first lever for achieving greater organizational capacity for change is to identify executive talent that has the behavioral propensities needed to champion and operationalize the new philosophy. The reason for this shift is that the existing approach, which gives limited attention to the health and wellbeing of the human system, is a product of the propensities typically active in c-suites today. These behavioral propensities, shown in the left column of Table 1 below, represent significantly self-interested prospecting and assertion - behaviors that are ideally suited to pursuing and exploiting opportunities. They serve organizations very well from a near-term bottom line results-focused perspective because they emphasize timely risk-taking, a measure of boldness, and the decisiveness needed to step out of ambiguity into action. However, they are not very effective when it comes to fostering the type of working environment that helps people learn, grow, connect, and be at their best.

To actualize the new way of working, different propensities must be added to the c-suite mix, so they can serve as progenitors of new values, perspectives, and new ways of working in the organization. These propensities, shown in column 2, are more long-term oriented, systemic, integrative, and relational in nature. They serve organizations by creating emotionally safe and trustworthy spaces that are hospitable, yet 'charged' with an open invitation into growth, unfoldment, and celebration of wholeness.

Table 1: C-Suite Propensities for Rigorously Adaptive Organizations

Execution/Exploitation Oriented Propensities	Inclusion/Formation Oriented Propensities
Leads decisively Thrives in Chaos Focuses on Results Inspires Others Initiates Independently Sustains Profitability Seeks Innovation Exercises Political Influence Demonstrates Energetic Enthusiasm	Demonstrates Character Demonstrates Empathic Inclusion Builds Consensus Thinks Conceptually Promotes Compelling Vision Communicates Clarity Drives Achievement

Based on SuccessFinder Inc. research, 2017 – Used with permission

Executives who bring the propensities in column 2, actively seek to build connection and community - the underpinning of a healthy human system. They honor the voice of the individual as well as the voice of the group, and foster shared meaning-making, which is essential to coherent organizational action. They foster engagement and learning by opening new lines of inquiry and by inviting people to step beyond either/or thinking and judgement into holding greater degrees of complexity and uncertainty. Finally, they create opportunities for people to surface and work with the tensions that are inherent in organizational life – tensions internal to self, tensions between people, and even tensions between people and the demands of their work, all of which can compromise meaning and motivation when left unaddressed.

By adding 'inclusion' and 'formation' related strengths to the c-suite, organizations can begin to embody and mobilize the new philosophy. Without this rebalancing, c-suite are likely to be blind to the many factors keeping their human systems stuck, ultimately making them ineffective at building vibrant and adaptive organizations.

#02 Repurpose the Human Resources Function to Focus on Optimizing the Human System

The second lever for operationalizing a new way of functioning is to reorient the Human Resources function away from its majority focus on due diligence for the employer-employee relationship, towards optimization of the human system. The reason for this shift is that the human resources function is the home to 'people' experts in most organizations but is often not the trusted advisor on how to address the organization's performance challenges and needs from a human system perspective. This leaves line-leaders and performance improvement specialists with an accountability for which they often do not have the time, interest, or suitability.

To help human resource professionals assume this new accountability it is useful to consider making some the following structural changes:

Divest the Human Resources function of conflicting accountabilities so they can focus on championing personal and professional growth and development of employees. The reason for this shift is to place these professionals in right-relationship with their passion for helping people. By realigning compensation and benefits functions and staff with Business Services, and labor relations and employment contracting functions and staff with Legal Services, the remaining Human Resources professionals can better serve as trusted talent management problem-solvers for the benefit of employees and teams.

Empower the repurposed Human Resources function by centralizing ownership of staff and giving them the mandate to facilitate realization of two complementary (and sometimes competing) goals – helping talent grow and unfold while optimizing allocation of talent to meet position and team needs. The reason for this shift is to ameliorate the tendency of line leaders to hold onto star performers while neglecting or pushing off on others the staff they find too challenging to manage. In this way, the centralized function can assume responsibility for identifying and proactively addressing poor-fit issues as part of its larger mandate to allocate talent to where it is needed most and where the individuals can perform at their best. Representation of this repurposed function at the c-suite level will ensure that 'people operations' and 'business operations' are always focused on achieving the same overarching organizational outcomes.

Establish direct collaboration between the Human Resources function, the Performance Assessment function (if it exists), and the Organization Development function (if it exists) to inform and prioritize human system problem-solving. The reason for this shift is that most human resources functions do not understand themselves to be an integral contributor to anticipating, understanding, and addressing the organization's performance challenges. Collaboration will rapidly build shared-understanding and open the door to creating new solutions.

Equip the repurposed Human Resources function with the highest quality predictive people analytic possible so they can begin their work of helping the organization become more behavior-savvy. Training and coaching on propensity-based diagnosis, design, and development, can help them learn how to assign work to people (and people to work), to optimizes the potential for job-fit, individual growth, and team performance. A versatile talent inventorying system that makes it possible to search in-depth profiles, including predictors of career satisfaction and success is essential to supporting this internal talent optimization activity.

Partner Organization Development talent with Line Leaders to educate and coach them on human system dynamics, how to work with behavioral propensity data to understand team dynamics and team functionality, and how to bring out the best in individuals and teams. The reason for this shift is to help the organization become more behavior-savvy, and more willing to engage in self-reflective and self-improving efforts over time by using valid data to reach past perception and projection biases. As teams become more proficient in understanding their performance strengths and challenges they will be able to provide higher quality information to the staffing process.

Combined, these changes serve to establish a new and dedicated functionality in the organization: one that is empowered to optimize the performance and transformational capability of the human system by focusing directly on leveraging human potential, behavioral diversity, and intentional teaming to solve problems and achieve results.

Special Note: asking human resources professionals to leave their traditional power-base behind in favor of a new mandate to support growth and unfoldment of individuals and to optimize the human system, will raise fears. It will place them squarely in the limelight for modelling the new perspective. They will be required to take on new and potentially daunting accountabilities, such as diagnosing human system performance challenges. Changes in roles and competencies, such as systemic thinking, cultural analysis, team design, etc., will likely introduce new coworkers to their ranks. And they will be required to systematically re-examine the cultural impacts of all the policies and programs they have previously formulated/endorsed and maintain the status quo, to realign them so they support a more employee-centered, collaboration, and growth and unfoldment-oriented philosophy. All of this will ask them to demonstrate courage, creativity, and a willingness to pioneer beyond the thinking and support available from traditional sources of HR guidance.

To help human resources professionals make this visible leap, executives must take care to ensure that everybody 'wins' from making the shift. This means seeing to it that whatever new roles human resource professionals assume, they are meaningful and dignifying in their eyes. This will do more to signal commitment to the new way of working than any communication plan or reward and recognition effort can ever achieve. It will solidify their willingness to champion new ways and to handle the confusion and resistance inherent in helping an organization make a paradigm shift.

#03 Strengthen the Responsibility of Line Leaders for Fostering Interdependence

The third lever for cultivating interdependence requires line leaders to focus less on work assignment and orchestration and more on team dynamics and performance. The reason for this shift is simple. Organizations that are profoundly dependent on their human system will be more challenged than most by talent shortages. Not only will they struggle to attract the talent they need, it will be **very important** for them to deploy scarce talents in ways that provide a superior employment experience, as this will aid retention. The best way to achieve this is to move majority responsibility for role and team staffing to the hands of talent management experts mandated to enhance the human system, thereby freeing line leaders to focus more fully on helping their groups integrate diverse new members and perform as high-functioning teams.

In the early stages, this shift will raise fears of lost status, lost autonomy, and lost power to choose talent to build a powerful team. This will be especially true for line leaders who are less confident in their ability to bridge differences and rapidly build rapport and engagement with a wide range of people. Elevating the importance of facilitating teaming can relieve some of the concern about status. A team-based resourcing approach that engages line leaders and teams in defining their talent needs, and then uses a high-quality predictive people analytic to identify short-lists of candidates with high job and team fit based on those needs, can help to reduce concerns about having to work with wrong-fit talent. Over time, leadership selection that gives greater emphasis to relational-integrative propensities can replace this fear with an appetite for the challenge of working with diversity.

#04 Encourage Collaboration and Community

The fourth lever for enhancing collective intelligence involves shifting away from the simplistic dichotomy of cooperate or compete, to seeing the organization as a community whose health depends on collaboration as well as self-direction, self-motivation, self-development, and self-transformation. The reason for this shift is that it opens new avenues for enhancing the resourcefulness and sustained vitality of an organization. It invites scrutiny of foundational concepts, especially leadership ideals, for their impact on the socio-emotional health of the community and the balance they promote between self-interested protection and promotion, and other-directed engagement and proactive collaboration. Reconceiving organizations as communities with permeable boundaries that can engage needed independent talents and connect deeply with customers is a key way of increasing organizational flexibility and coherence simultaneously.

Helping members shift their view towards a collaborative learning organization requires executives to place greater emphasis on cultural norms that highlight the power of interdependence and the importance of emotional and relational health. Foundational among these are:

Valuing diversity – like attracts like because it is reassuring, rather than challenging to personal identity, especially at less mature levels of mind. Unfortunately, this cloning pattern creates myopia in organizations because the perspectives and insights available through other worldviews and capacities are missing from the organization's understanding. Approaching others in the workplace with empathy, and genuine curiosity and sincerity as to another's lived experience, opens the way to embracing greater behavioral diversity, making strategic and tactical innovativeness possible.

Owning perceptions and projections – the human tendency to blame people and situations for internal states of being is pervasive, yet it undermines self-empowerment and contributes to unhealthy conflict at every level in organizations. Open exploration of the value of psychological safety, emotional intelligence, mindfulness, and self-compassion, can stem this tide and turn these potentially damaging dynamics into growth and development opportunities for individuals and groups.

Humble inquiry – having answers is often equated with being capable, helpful, and powerful. It is perceived as saving time whilst ensuring that respected expertise is applied. This is true, yet answers that are readily forthcoming also inhibit learning, idea generation, and autonomy within relational networks. In contrast, honest, open questions that do not presume to know or to imply an answer, level the playing-field between people. They help individuals to recognize their own 'in-the-box' thinking and to search for their own answers and conclusions. The net result is a stronger learning organization that is more invested in discovery and dialogue than denial and other defensive behaviors.

Intrinsic motivation – recognition and reward programs are pervasive tools for trying to influence peoples' behavior in desired directions. The challenge is that they distract people from their intrinsic motivation. When people are given every opportunity to do what they love and are good at, they are self-motivating, self-directing, and self-correcting. Rather than focusing on outcome-associated rewards, it is more fruitful to align people with right-fit activities and include support for self-development, innovation, outreach, or other meaningful engagements that strengthen their resiliency, innovativeness, and connection within the organization's operating context. This approach recognizes individuality, invites maturity, and strengthens commitment.

Honoring 'inner life' as well as 'outer role' – our society is heavily focused on extrinsic rewards and achieving success in the eyes of others. So much so, that the importance of the internal subjective experience of life has largely been lost. This imbalance denies the reality that worldly success has limited relevance to people

#033

becoming mature human beings and experiencing inner happiness. Introducing ways of being in community that encourage time for self-reflection, create safe space for personal truth sharing, and provide relief from the fixing, saving, advising and correcting that characterize our predominant way of supporting one another, can restore a measure of balance and psychic health in organizations.

What these new norms have in common is their potential to build more vibrant and shared meaning in systems that are less stratified, less constrained by unnecessary power politics, and less burdened by people fearing for their sense of belonging and opportunity to contribute and shine.

#05 Ensure the Management System Serves the Human System

The fifth lever involves building a management system that seeks to support and enable the collective intelligence that is shaping real-time outcomes. The reason for this shift is that formalized management systems aren't built to meet the needs of the human system. Often designed as document hierarchies, they capture intended work flows, imbed expectations and standards, and establish accountability sign-offs. In some cases, they may offer search capabilities and interaction tools that improve the user experience, but this does not really change the fact that they are essentially passive, often lagging, control systems that are ill equipped to support the ongoing learning, collaboration, and decision-making of the human system.

Executives can take a first step towards ensuring that the organization's management system supports the human system by establishing an executive-level process/program that spells out how the organization will 'optimize the human system'. Articulation of this will help the realigned functions become more stable, while also helping the rest of the organization recognize the sincerity of the shift.

Those who are more ambitious about fully supporting the human system may want to initiate a review of the purposes for which their system was designed and take steps to ensure that it supports self-directed learning, multi-lateral collaboration, and informed decision-making as much as possible i.e., that it reduces implicit reliance on control-points rather than building capacity across the workforce.

Truly visionary organizations with a significant need for rigor, and a matching level of digital talent, may want to pioneer development of a new kind of process system, one that uses the tremendous power of gamification to enhance engagement:

- removes structure and hierarchy as the imbedded control mechanism and replaces it with 'rules of the game' that reflect desired organizational outcomes and unavoidable constraints,
- invites engagement and collaboration,
- facilitates information-seeking and self-directed real-time learning,
- supports scenario-building and decision-making,
- makes user engagements storable/traceable,
- rewards organizational members for relying on and enhancing the system over time.

A process system such as this, that rewarded participation and invited continual evolution by all organizational members would be the most effective way to support optimal real-time human system performance in the future. Needless to say, building fidelity into such a system would be of paramount importance…akin to establishing the programming and infrastructure for driverless cars.

Implementation Considerations

As with any sizeable infrastructure-building effort (e.g., building an integrated management system or making a significant technology upgrade), revitalizing a moribund human system is not a quick-fix. The ease with which an organization can implement Propensity Management will depend on the pre-existing labor-management relationship and the level of credibility and trust enjoyed by the c-suite and the Human Resources function. To minimize concerns, it is best to introduce the new approach from a career planning and development perspective first, and only when people have become oriented to the approach and been given opportunity to do their own soul-searching, to introduce the selection and succession applications.

Why so? Traditional staffing and development methods have existed for a long time. Replacing them with an approach that includes high-powered psychometric data and makes growth and unfoldment of employees an important goal, will be perplexing and possibly even intimidating at first. Line leaders and staff will need to be introduced to the idea of human system optimization, and oriented to the assessment, development, and selection dimensions of the new approach. They will need to be educated on the 'rules of engagement' including the method of recourse if they are concerned about impacts from being in a substantially wrong-fit role. Most importantly, though, people will need time to understand what is in it for them. A two-step approach will give individuals the opportunity to reflect on the very real costs of misalignment in terms of their personal wellbeing, role performance, and impact on others. This stock-taking can ease acceptance of recommendations to move in new career directions.

Costs and timing will be determined by the implementation strategy an organization adopts and its dedication to completing core infrastructure-building activities:

1. Define the organization's needs and select a suitable predictive people analytic. This most likely will take the form of a license agreement, scaled by workforce size and range of uses to be made of the talent information once it is gathered.
2. Identify and train in-house staff to support development of the new approach. Ideally this involves two levels of 'practitioners', a) professionals who specialize in individual-level resourcing and development activities, and b) professionals who support the organization-level diagnostic and human system planning and improvement activities.
3. Make needed structural changes to support the emergence of this new functionality in the organization. This can be incremental in nature if the plan is to pilot the approach before undertaking fuller implementation.
4. Develop an Organization Design Basis to guide job, team, and structure design and resourcing from a propensity/functionality perspective e.g., confirming key propensities to be emphasized in hiring at the frontline supervisor role to ensure the level can fulfil its purpose within the management structure.
5. Revamp policies, procedures, and any relevant contractual arrangements. This should include education and, if need be, negotiations on the new approach with organized labor to minimize the risk of derailments.
6. Establish a pilot site (location, level, function) with sufficient scope and breadth of work to make experimentation with different work configurations tied to career development viable. This pilot must be able to commit to keeping people 'whole' so they as well as observers outside the pilot are not distracted by fear of the unfamiliar.
7. Administer the people analytic, establish the talent repository, and commence the process of assessing talent-task alignment and making improvements where possible. This needs to include tracking satisfaction and performance at the level of the individual and the team. Reward and recognition should be tied to willing and effective participation in this discovery and disclosure process.
8. Refine the approach based on the pilot project and move towards full implementation.

As with any other large-scale project, steadfast executive sponsorship, formal project management, and strong organization development support are essential to ensuring success. Once employees gain a meaningful understanding of what is in it for them, willing participation will accelerate the shift.

Summary

Ensuring organizational survival and success is a complex undertaking. A decade worth of workforce engagement data suggests that the intelligent, creative and real-time adaptive layer of organizations – the human system – is ailing. This requires executives to take a hard look at the causes and contributors of the malaise and how to substantively improve the health and efficacy of their human systems. It calls on human resources professionals to become actively involved in helping the organization address systemic performance goals and challenges and recommend strategies to reengage the workforce and optimize human system performance. Finally, it requires organizational leaders and staff to reconsider the merits of a performance model that depends on leaders making efficient and effective use of workers - to one that holds all parties accountable for individual, team, and organizational flourishing.

Conclusion

There was a time, in a socially, economically, and technologically stable world where focus on the bottom line was sufficient to ensuring business and organizational success. The negative impacts of misaligned talent, destructive social dynamics, and weak management and leadership capabilities could be absorbed. But the game has changed. Organizations are struggling to thrive in the face of many pressures - demographic shifts, digital technologies, talent shortages, low engagement rates, to name but a few. A whole new level of effectiveness is needed to survive and thrive.

Propensity management offers a rigorous new way for organizations to understand and improve performance. By using high quality predictive people analytics, leaders can strengthen organizational functionality while meeting the performance capacities, realistic career aspirations, and growth needs of their members. More specifically, organizations can re-engage the workforce by making talent management decisions that substantially meet the intrinsic motivation of individuals while simultaneously addressing the performance requirements for jobs, teams, and other structures. Call it a win-win.

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