

The Competence Process

Creating Work Cultures for Maximizing Productivity

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Author Timothy Galwey has offered a new perspective on the managerial quest for quality performance. “Performance,” he says, “is equal to potential minus interference.” In practical terms, this means that we can realize available potential more fully if, as managers, we work to minimize interference with that potential. We can, if we choose, create organizations that release, reward, and capitalize on the technical and human potential at hand. We have done well by our technical potentials. But what about human potential?

What is Human Potential?

Very little that has been written about management and very little that managers do would have any relevance at all if it were not for one basic fact: *By and large, people are capable of doing what needs to be done.* In general, they have the capacity and desire to deal productively with one another and with their environment. Only that fact makes management work. Think about it. If people were *not* able to do what needs to be done, it wouldn't make any difference how skillfully we managed or how sophisticated our theories were. This ability and need to perform well – this basic human competence is the potential available to managers in their quest for quality performance. But how have we treated it? Have we managed for its full release and realization?

Human potential is the richest resource available to any organization. And yet we seldom hear anything about this basic resource, this essential human competence, when we begin to plan our approaches to organizing and managing

for work. In our zeal to understand analytically what is going on in organizations, and what is required managerially, we have overlooked the obvious feature of civilizations, societies and organizations which cuts across all age levels and all time – people can do what needs to be done.

Although we have lengthy treatments by social scientists of managerial style, work motivation and organizational theory, so far we have no integrated view of the relevance of all this to organizational performance. Organizational performance is rooted in human potential, in the competence of the people who populate our organizations, and no single element – style, attitude, structure, or whatever – can account for it because no single element can account for the full realization of potential and competence. But each has an important bearing on the total capacity of the organization to respond to the demands of its environment. And taken together, they form the bedrock of a new technology of social excellence: *The Competence Process*, a system for maximizing quality performance by releasing the human potential available.

Why is Managing Potential Essential to the Achievement of Quality Performance?

The achievement of quality performance requires not only a technology – e.g. statistical controls, proper tools, and measurement – but, most importantly, a workforce that is *committed* to employing this technology in the service of quality. In short, the achievement of quality requires human commitment and dedication above all else. Mental health experts tell us that one of the most significant sources of unhappiness and lack of commitment among people is their inability to

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realize their own potential. These same experts tell us that when people are unable to realize their potential, it is invariably because they've been mismanaged – in the past, and, most likely in the present – by other people.

People who are frustrated and in pain do not produce high quality results. That is why, if we are truly interested in achieving high quality performance, we must begin to address ourselves to the manner in which we have managed the potential available to us and the organizational environments we have created for its support. In this spirit, let us consider the potential in our care and both what we have done with it in the past and what we might begin to do in the future.

Competence: The Potential for Quality Performance

The competence process is a new way of looking at what goes on in organizations. It clarifies some of the anomalies which have marked the behavioral sciences and refocuses the perennial problems of productivity, morale and quality. As a classification tool, it integrates many of the most noteworthy theoretical and empirical contributions to management thought. It creates a context within which familiar works can be interrelated. As an evaluative tool, it establishes a frame of reference for appropriately bringing to bear a seemingly diverse group of theories on general problems of productivity and morale. And as a plan for action, it provides a road map for getting us from where we are to where we would like to be, individually and organizationally. This information is a precursor for any successful quality improvement program.

If people are capable of doing what needs to be done, we must ask ourselves what we as managers have done to allow expression of quality, this basic competence. We must ask ourselves why, if people are capable, do they sometimes fail to do what needs to be done? When people do not do what needs to be done, is it because they cannot? Is it because there is no potential to be realized? Or is it because we have created an organizational context which interferes with potential by making it impossible or unrewarding for them to express

their individual competence? Have we organized and managed as if the potential for quality performance was a fact of organizational life or have we presumed incompetence and tried to manage around it? We need to consider such questions carefully before we answer.

Unexpressed competence looks, for all the world, like incompetence. As managers, we often tend to equate quality with competence. But quality is only a symptom. If we infer incompetence because productivity and quality are lower than we would like them to be, we risk coming to an erroneous conclusion. The logic is not so straightforward and parallel. It is easy to assume competence and productivity when quality is good, but not so easy to conclude incompetence from low quality performance. Low quality performance can be, and most often is, a sign of competence – potential – which exists but is not allowed expression. In our search for simple explanations of complex events, we have tended as managers to look at our symptomatic indices – productivity and quality – and, when they are low, to leap to the conclusion that inadequate people are responsible.

We are blessed with an abundance of human potential but Erich Fromm, the great psychoanalyst, has likened such potential to a seedling. “A seedling, when it is planted, has all the genetic information it needs to become a tree,” says Fromm, “but this does not insure that it will realize its potential and become a tree. It needs sunlight, water, nutrients – a supportive environment.”

So it is with human potential and the organizational environment. As “keepers” of the environment, perhaps we should examine the context within which people must function. Perhaps inadequate management is responsible for low quality and low productivity. We are too often inclined to curse the tree for the quality of its fruit rather than to look at the soil in which it must grow. Let us take a closer look at the potential – the basic human competence – in our care and the environments we have created in our organizations.

Competence: Adaptive Fitness and Quality

Human competence has been a shadow truth, unheralded but all about us nevertheless. We have survived and prospered as a species because we have been capable of doing what needs to be done, able to deal productively with other people and with the environment. Long before any of us comes to an organization or meets a manager, each of us has acquired problem-solving skills and numerous coping mechanisms to see us through each day's demands. People *learn* quality and they *learn* to be competent as a natural part of the developmental process. As environmental demands change, people must adapt themselves to meet the new demands. They must be adaptively fit. Personal competence determines the *adaptive fitness* of the individual. By adaptive fitness, we simply mean the individual's fitness to live and eat and prosper and continue to exist in the world. And adaptive fitness in turn really determines the ultimate issue of physical and psychological survival. Adaptivity equates with surviving.

The fact any of us has survived thus far is irrefutable evidence of our individual adaptive fitness, of our capacity to respond productively to the demands placed on us by our physical and social environments. The more effectively we adapt, the longer we survive. The individuals who, for whatever reason, are constrained in their adaptive capability are less prepared to interact effectively with the environment and therefore are impaired in physical and/or emotional survival. In mental health circles, the competent individual is one who is equipped with adaptive skills, and competent individuals comprise the vast majority of the human race. The truly incompetent individual is one who is unhealthy and who does not possess necessary adaptive skills psychologically. Individual competence, not incompetence, is the norm. It accounts for all but a small percentage of the population and it is upon this widespread capacity that the competence process is founded.

For managers, it is important to recognize that if the individual's ability to adapt is a function of his or her competence, the same may be said about

social systems that are engaged in complex ways in doing work. Trying to harness this basic individual competence – this key to adaptive fitness, this insurance to survivability – is really what civilized structures are all about. It is what the task of management is all about.

Managers do not create competence nor do they create quality, but they do control its expression through the organizational contexts they create. Historically, we have done pretty well in spite of ourselves. The reason is not because we have tried to organize or to manage to take advantage of competence, but rather because competence has been so great a force that it has been expressed *in spite* of our organization and management. However, we may be reaching a point internationally and at home where we must start attending to the thing that makes it all work in the first place. The tendency for individual competence to be expressed in spite of everything may be reaching a point of diminishing returns. How long can energy be expended without being replenished, with little if any reinforcement? It is essential that we learn to focus the energy that we learn how to renew and reinforce it if we intend for our organizations to survive. To achieve “organizational competence” is to maximize expression of the innate competence of the people who make up the organization. Managers cannot take either the credit or the responsibility for the competence of those they manage. Personal competence – for manager and worker alike – exists irrespective of organizations. But managers can decide whether or not competence will be expressed. This is why the competence process is a precursor to successful quality improvement endeavors.

The Competence Motive: A Desire for Quality Performance

The manager's job of facilitating the expression of individual competence is made easier by the fact that there is a *competence motive* among people. Robert White has presented an impressive array of data to support the notion that in addition to the basic *capacity* to do which is refined and developed on the basis of individual learning, there is also a personal *need* to do well.

People *want* to be competent. People need to do their best, to function well so that having demonstrated their capacity for doing well, they reap unto themselves the rewards of competent performance: The simple but profound feelings of efficacy and personal worth. When people do what needs to be done, when they demonstrate personal competence, they feel good about themselves. This is a powerful incentive.

Biologically, competence is tied to the very physical need to survive. But psychologically, competence has to do with the simple straightforward personal reward of self-worth. When people behave competently, when they have done what needs to be done, they derive a sense of fulfillment and personal worth. They have demonstrated that they are adequate to their tasks, that they have “worked” as individual human beings because they have produced or accomplished something. People are pleasure-seeking in the practical and constructive sense of the word. They seek through competent performance what Erik Erikson calls “self-verification” and Brewster Smith terms “self-respect.” Managers dictate whether people can expect such fundamental rewards in their organizations and, hence, the probability of competent performance.

If the whole idea of individual competence is applicable within formal organizations, within systems assembled to accomplish certain objectives, and if managers play a critical role in the unfolding process, then what must we, as organizational leaders, do to be responsive to this capability? And of equal importance, how can we be responsive to the human *need* to do what needs to be done? Are traditional organizational provisions consistent with the unconstrained expression of personal competence? Is what we have traditionally provided consistent with the need each individual has to display his or her competence? Have we ever organized and managed on the basis of the simple premise that people can and will do what needs to be done? More often than not the answer is “No!”, because we have organized ourselves according to managerial theories and practices which, at best, overlook the obvious and, at worst, presume

incompetence as the norm and emphasize measures against it. As sophisticated as we might be or hope to become, if it were not for the collective ability and need to be competent, everything we attempt, as managers would be for naught.

This need not be the case. As it is necessary for individuals to adapt to survive, so is it necessary for organized systems to adapt to changing environments in order to survive. Since organizations are made up of people who come already possessing the abilities and needs to be competent before we become concerned with productivity of the organization, we must examine the basic issue of whether there are conditions within the organization which allow for the expression of basic competence. We must attend to the soil and begin to learn how to organize and manage for the expression of competence.

To do this, we must consider the fundamental nature of competent performance, the components of competence. We know the ability to adapt exists. We know the need to adapt – to express competence – exists. But how do people go about adapting? What are the mechanics for responding competently to environmental demands?

The Competent Response: Quality Performance through Creativity and Commitment

Responding in a productive manner to the social and physical demands of the environment is the essence of competence. There is a *competent response*. And this competent response is characterized by equal parts of creativity and commitment.

Part of adaptive fitness involves the solving of problems. To respond competently to the problems they encounter, people must be able to sense the meanings of events and literally *create* appropriate ways of responding. They must be able, for example, to perceive the nature of the environment in a fairly accurate way. They must be able to understand and interpret accurately the meaning of whatever task is to be done. Then they must come tip with, literally *invent*, an on-the-spot response to

the demand. And they must also be able to foresee the consequences of their acts and to anticipate the nature of the future environment in a creative fashion if they are to adapt to future demands.

This means that, when confronted with a problem, people first of all have to be able to identify it accurately. And they also have to search back into the repertoire of their behaviors to see what they have to bring to bear on the problem. It may even mean that they must invent a new way of behaving, or rely on very unlikely resources that were not even designed to bear upon that problem. It may mean that they must be able intuitively to see into the future and anticipate the consequences of behaving one way as opposed to another.

These are all creative processes. The competent response, then, calls for a certain amount of creativity on the part of the individual. Because we know people are able to respond competently and the competent response requires creativity, it follows that people in general must be naturally creative. Let's put this thought in perspective. Not everyone is able to paint a Mona Lisa or develop a laser beam, but most people do have the capacity for novel insights, for solving day-to-day dilemmas and for making original or innovative use of existing resources. Basic old-fashioned human ingenuity – this is the kind of creativity required for competence.

So we may say that *competence demands creativity*. The less creative we are, the less adaptive we are. Under ideal conditions adaptivity is exceedingly creative, but this is only half the equation. Any kind of creative act denotes *interest* on the part of the individual. People do not tend to exert the kind of effort creativity requires unless they have some *personal involvement*, some personal stake in the outcome of the creative process. Interest and personal involvement – commitment – are the precursors to creativity.

Whereas competence demands creativity, creativity in turn *demands commitment*. We know that people who are interested in the outcome of tasks will try to perform more creatively. The type of ongoing creativity that might characterize a life

of an organization requires a *sustained* capacity for dealing creatively with the internal and external environments. While any of us may be creative as a matter of spontaneous chance, when we talk about a sustained capacity for dealing competently with the events we encounter, we are also talking about the need for a sustained level of commitment. Commitment fuels creativity.

People are not going to exert the kinds of energy, mental or physical, required to adapt to environmental demands in effective ways if they are not committed to solving the problem at hand. They are not interested in being adaptive without some underlying motivation. Commitment is the psychological energy which powers and facilitates achieving a creative interface of the internal and external environments.

We may say, therefore, that competence is a sustained capacity for meeting environmental demands in both a creative and committed fashion. Competence as a sustained capacity is not the same as episodic, short-term effectiveness. A *sustained* state carries a kind of built-in assurance that we will be up to the task irrespective of what it is. Managers can build structures that facilitate sustaining the competent response. This is what they must do if the expression of individual competence is to become so widespread that collective competence becomes the defining feature of their organizations. They must work for *organized* competence if they want continuing quality performance.

Organized Competence: The Release of Collective Potential

Organized competence may be thought of as utilization of the collective competencies of individuals. Managers must provide for a meshing of talents. For the caveman trying by himself to figure out a way to catch and kill an antelope without chasing it all over God's creation, the necessary resources are available and free for the taking. No one has control over his selecting a rock to throw, or cutting a vine to sling the rock further, or utilizing pieces of wood in whatever manner he chooses to construct a bow and arrow. No research and development group has

engineered the thing. No production group has decided the most efficient way to produce it. And no market research department has surveyed whether other potential consumers would prefer ash or oak. He has seen a need and set a task for himself and he is totally involved and committed to it. Once he has his bow and arrow, his physical survival is enhanced because he has a whole new source of food. It is safe to say that he has also been rewarded with an enhancement of his feelings of self-worth; he can proceed with greater confidence in himself and his capabilities. Discovering and constructing a better way to kill an antelope has been for the caveman a highly personal adaptive task – it is his –he owns it. This is primitive competence, as old as humanity.

But a thousand years later one of his progeny will go to work for a widget producing organization. What does he know or care about widgets and their production? How personal a task can widget production possibly be for him? How relevant is widget production to his personal goals? Given his need to be competent in his environment, how does the organization get him and his ego involved in widget production? These are the questions underlying organized competence. They must be answered for quality performance to be a reality.

For the individual, we have said competence equates with adaptive fitness and determines survivability. For an organization, competence implies that the organization is characterized by a response readiness to environmental demands. *Organized competence is the sustained capacity of an organization to respond to the demands of its environments, either social or physical, internal or external, in a committed and creative fashion.*

The basic ingredients needed for this adaptive readiness which we call competence are commitment and creativity. The basic ingredients are the same whether we are speaking of individual functioning or of a complex social system. After all, the social system – the organization – is nothing more than an aggregate of individual human beings who bring with them all the raw material needed for organized competence.

When we, as leaders of organizations, manage the raw material in such a way as to unleash the competence potential, then we are developing and capitalizing upon a symbiotic relationship between individual goals and organizational goals. How so? People are in the organization for reasons perhaps not even germane to the purposes of the organization. But the organization has a need to adapt competently, as do its people. As the people are given opportunities to behave more competently, the organization's capacity to respond to environmental demands is enhanced; a symbiotic relationship is not only possible, but necessary. The question for us as managers is whether we recognize the relationship in the first place, and then whether we manage in such a way as to capitalize on it.

The Competence Process: A Blueprint for Quality Performance

The competence process addresses the issue of managing organizational performance. How might managers create conditions for commitment and creativity in their organizations? How might they reward rather than blunt the competence motive? How do managers see to it that the goals of the organization dovetail with the goals of the individuals who make up the organization? How do managers instill in individuals that personal sense of owning the organizational task? These are the issues addressed in the competence process.

When we begin to consider how we might achieve organizational competence, we know first of all that creativity will be a major consideration in shaping and determining the competent response. And we know commitment will be an equally major factor demanded by the competent response. These are the issues addressed by the competence process. We must work backwards, as it turns out, in building the process. Creativity demands commitment and both, in turn, flow from the granddaddy of concepts in the behavioral science approach to management: Collaboration. It is the wellspring from which the potentials for both commitment and creativity flow.

As viewed in the competence process, the collaborative approach is a triggering mechanism,

setting of potential for commitment and for creativity. Collaboration sets in motion the potential for heightened commitment on the part of the people who do collaborate and, in turn, paves the way for creativity on the part of those who are committed. The competence process, then, is comprised of three dimensions: Collaboration, Commitment, and Creativity.

The Structure of Competence

Figure 1 (below) portrays a skeletal structure of competence wherein collaboration is seen as the prime mover in a sequence which culminates in a response state of competence. Both commitment and creativity flow out of collaborative opportunities and combine to yield the competent response. But this is only a skeleton. How do we manage collaborative dynamics so that they prove meaningful? What kind of attention does the commitment dimension of competence require? How do we plan for creativity? The answers to these questions lie in the conditions we, as organizational leaders, create.

Conditions are created within organizations, whether we have consciously created them or not, which either facilitate or inhibit the competent response. These are organizational conditions directly under the control of managers and amenable to managerial influences. Others influence the degree to which commitment becomes a sustained characteristic of the people who comprise the organization. And still others either capitalize upon the achievement of creative enterprise or run counter to it. From these conditions, from the extent to which they characterize the organization, is derived the strength of the collaborative, commitment and creativity dimensions of competence.

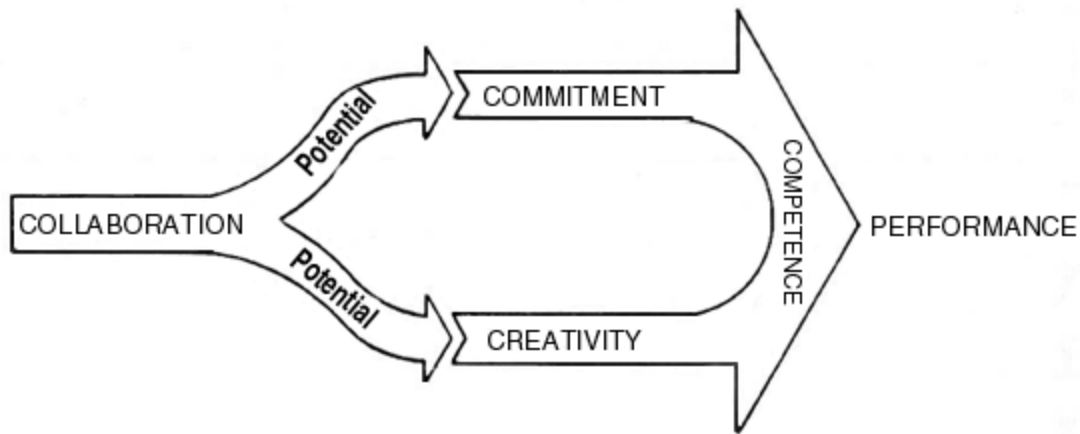


Figure 1. A skeletal structure of the competence process

CONDITIONS FOR COLLABORATION

Collaboration is problem-solving activity. People emerge from doing collaborative tasks—decision making and jobs analysis, planning and forecasting, allocating resources – with a clearer picture of what is to be done and how to do it, and with a better understanding of their own responsibilities. And collaboration is the sharing of power. When managers create opportunities for those affected by decisions to share in making them, they are partially divesting themselves of formally endowed managerial power and reinvesting it in others. For those others, sharing in decision making is esteem building. It empowers, gets people personally involved in the tasks to be done. Management’s task, then, is to see to it that supporting conditions for collaboration – management values, support structure, credibility, and climate – exist in and characterize the organization. These supports, added to the skeletal structure in Figure 2, provide the strength for collaborative effects and, as such, are critical to the release of potential and an achievement of competence.

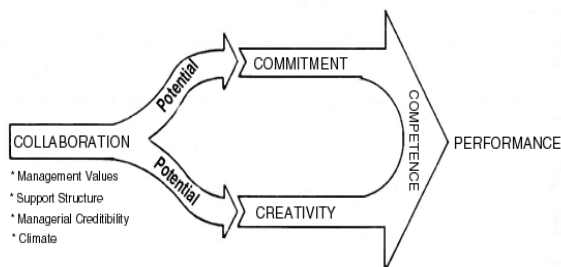


Figure 2. Conditions for Collaboration

Management Values

For there truly to be a collaborative system which will unleash a potential for commitment and creativity, there must be a system of *management values* which sustains, supports and puts into effect collaborative dynamics. Management values reflect the philosophic stance of the organization. They show up in policy. They show up in incentive plans. They show up in a variety of

subliminal ways. People in the organization sense the values rather than actually experiencing them in any tactile, first-hand way. They know what the values are even though they are hard to pin down. The competent organization is characterized by an egalitarian value system; people are valued as individuals and not because of the work they do. Management trusts the competence of its personnel. There is not a caste system of “haves” and “have-nots,” of those with power and those without, of those who receive and those who do not. Under a more authoritarian value system, those who do not receive will not collaborate even if given the opportunity because they expect no payoff.

Support Structure

In addition, there must be a *support structure* that makes the collaborative value system feasible. The organization must be put together geographically, technically and otherwise in ways so the individuals who are encouraged by management to collaborate can indeed do it. It must be structured so people have access to others with whom they work and to the information they require. If people are spread to the hinterlands, no matter how badly management wants their input, it will not be forthcoming. The support system characterizing the competent organization is also one wherein there is a managerial support system at the purely social interactive level that facilitates, encourages and enhances the operational expression of collaborative actions. If managers are supportive when people express their views and solicit those views, they are supportive of the collaborative ethic. When they insure a structure of access, they make employee involvement an operational reality.

Managerial Credibility

And finally, there must be *managerial credibility* – *basic* trust. If management does not enjoy credibility among its people, the effect on each of these other considerations is automatically

diminished. If management makes promises, provides collaborative opportunities and then does nothing at all with the inputs, then management does not have credibility. Candor must characterize management's style. People must know managers mean what they say. In the competent organization, when a manager asks for an opinion or suggestion, something will be done with it and people will receive feedback about the outcome. Combined, such considerations give each individual manager credibility in the eyes of the people who are being encouraged to participate.

Climate

The way these conditions – *management values, support system* and *credibility* – are met usually shows up in a symptom about which we all talk perhaps too much: The work climate. Climate, as a by-product of what is going on in other areas, is an indication of how people feel about where and with whom they are working. The climate of an organization answers the question: How widespread and genuine is organizational collaboration? For collaboration to lead to competence, far more is required of management than an enhancement of climate.

CONDITIONS FOR COMMITMENT

The potential for heightened commitment is a by-product of collaboration. But, until this potential is recognized and managed, it is *only* potential. Like potential energy, something is needed to activate it so that it might be brought to bear in the accomplishment of work. Management must insure that conditions supportive of commitment are in place. Having been made to feel their ideas and opinions count for something, people must be free to act. Having derived a heightened sense of purpose, people must be able to spend their energies on issues and tasks relative to that purpose. Having achieved a sense of partnership, people must be able to engage in cooperative effort. Figure 3 depicts the necessary conditions for commitment.

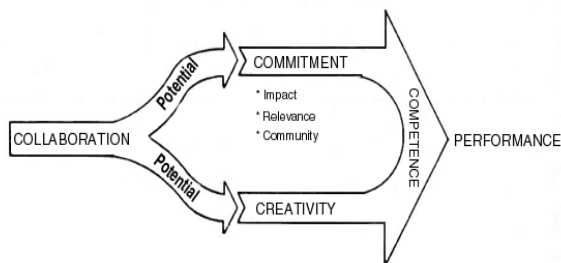


Figure 3. Conditions for Commitment.

Impact

Unless people have power within the range described by the jobs they do, then all the collaboration in the world is for naught. People must be able to see that they can make something happen. In the competent organization, people have direct influence. They pretty much control their own procedures and guidelines. They influence design decisions where their work is concerned and determine the best way to do their work. People can collaborate until they are blue in the face, but if they have no power over what is going to occur, then very quickly they realize the collaborative opportunity has been a sham and their commitment disappears. Power, therefore, is an extremely critical condition for achieving and maintaining a sustained high level of commitment.

Relevance

Related to power are conditions of *relevance*. People expect their talents to be used. They expect to spend their time on tasks important and relevant to the organization's objective. They need to be given the opportunity to spend their time on core activities. People can be asked and encouraged and helped to collaborate and become involved. They might even be able to see the impact of their ideas. But, if their collaboration is not relevant to the

jobs they are supposed to do, they will not derive any of the commitment potentials management is hoping for. The manager who only asks people to help plan the company picnic, to help decide where to put the cold drink machine, or when they are taking their vacations, is not managing for commitment, but wasting the potential set in motion by the use of collaborative dynamics. Commitment has to do with power, the nature of the work itself, and with factors relative to the work situation.

Community

A sense of community is the mechanism whereby commitment becomes a widespread commodity. To operate as a viable force, commitment within the organization must be widespread. One person's commitment is not sufficient to energize a total organization; the person in the marketing department who has collaborated, made decisions about things relevant to his or her work, may have a tremendous sense

of commitment, but unless that commitment is widespread and part of the defining features of the organizational community, there will be very little creative work put into its implementation. Management must create a set of conditions which promote a sense of community so that people are encouraged to rely upon and help one another in their work. Programs which promote individual competition compete with a sense of community by encouraging people to be self-centered rather than concerned with the welfare of all. Competitive dynamics isolate people, divide, and undermine the strength of commitment as an organizational force. This is why teamwork is so important to a total quality effort.

When the conditions for power, motivation, and community are successfully managed for high levels of commitment, we can expect people to be energized and poised for the kind of creative enterprises necessary for quality performance.

CONDITIONS FOR CREATIVITY

Organizational competence requires creative problem solving. It is in the creativity dimension that the seeds, sown in collaboration and nurtured in commitment, reach fruition. Managers are responsible for the internal environments of organizations and these environments directly influence the creative process. As depicted in Figure 4, the conditions in support of the creativity dimension are *task environment*, *social context*, and *problem-solving*.

Task Environment

People may not be able to act on their creative urges unless they have access to the resources they need. It is almost more trouble than it is worth for a lathe operator to walk to another building and fill out several forms before he can get the tools he needs to be productive in his job. When every possible feature of the work is standardized, when rigid controls govern resource allocation, when departure from approved procedures is punished, creativity is squelched. But if managers encourage experimentation and reward innovation in a free-flow *task environment* where the major emphasis is on getting the job done in the best possible way, they will see potential unfold before their very eyes and encounter a windfall of creative, high quality output.

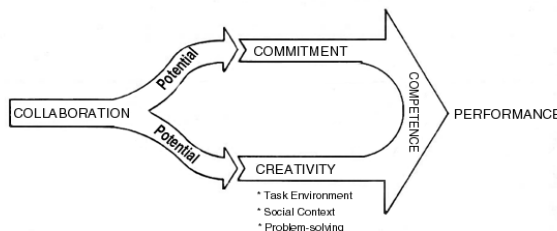


Figure 3. Conditions for Creativity.

Social Context

Research shows that the social dynamics of the workplace are every bit as important to creativity as the task environment. The *social context* must allow for the stimulation of social dynamics, for ambience in the workplace. By taking into account the spontaneous, exuberant, risk-taking aspects of creativity, management can promote values and norms and exemplify practices which make the workplace a fun, interesting place to go rather than a place which provides the interpersonal equivalent of sensory deprivation. The social context defines the way people can relate to one another in doing their work. People must be able to share their work experiences, to exchange ideas, and to talk with one another in the course of their work. When people find camaraderie and stimulation in the workplace, when they see others as interested and dependable, when they can share their own competence and draw upon that of others, the social conditions for creativity are being managed competently. The manager sets the tone for such dynamics through his or her transactions with people at work.

Problem Solving

Finally, we can have all the supporting conditions for collaboration which lead to potential for commitment, all the supporting conditions for commitment which actualize that potential, a free-flow task environment and a collaborative social context. But if we do not have proper *problem-solving* processes we will ruin it all, right at the end. The way people approach problem-solving tasks is a core issue in competence. There are identifiable processes and techniques, some of which are more creative than others, for approaching problem-solving. The

process can either close off creativity to a trickle or encourage a flow of original and emergent solutions. And managers provide the example of approved problem-solving processes. If differences of opinion are squelched, if innovative ideas are ignored, if “experts” have the final word, if problem solutions must be in line with the policy manual, then scant will be creative outcome. Creativity is also diminished when managers favor compromise and avoid conflict. But if constraints on imagination are removed, if conflict is recognized as a necessary precondition, if common problems are managed for common acceptance, the probability of creative outcomes is greatly enhanced.

The fleshed-out structure of the competence process, complete with supporting conditions, is presented in Figure 5. Again, the basic premise is that creativity and commitment define the competent response. Recognizing that collaboration is the wellspring out of which the potential for these flow, we have taken the three as the basic dimensions of the competence process and, then, examined the conditions which serve each and release them as forces in the organization. Obviously, our premise implies that organizations characterized by more of these conditions are more competent and have more of a sustained capacity to respond in a creative and committed fashion to the demands of their environment. When fewer of these conditions characterize an organization, not only are its people deprived of their opportunity for a sense of efficacy, but the overall adaptability and competence of the organization is being tampered with as well. In more practical terms, the dimensions of competence may well explain why some organizations enjoy high quality performance and others do not.



Figure 5. The Competence Process.

High-Performing Organizations differ from Low-Performing Organizations

Managers today really don't need another fanciful depiction, another prescriptive "theory" of what they should be doing differently. We've had too many fads and panaceas already. We've been diverted from our course and wasted precious time. That's why we now find ourselves trying to play "catch up." What managers need are some hard data, some demonstrable proof that they might have confidence in the cause they pursue. We would not have anyone accept the competence process on faith. Fortunately, no one has to for it is a testable premise.

On the basis of earlier research, we would expect high-performing organizations to have more supports for competence to make better use of their potential than low-performing organizations. But how does one measure organizational competence? Who is to say which organization is high performing and which is low? By what criteria do we judge performance and competence? Realizing that the key is environmental context – the extent to which conditions in support of collaboration, commitment, and creativity characterized the organization we conducted a large scale research project to address such questions.

Measuring the Potential for Quality

The first order of business was to develop an instrument to measure the strength of the dimensions of competence – collaboration, commitment, and creativity – by addressing the extent to which the underlying conditions necessary for competence characterize the organization. The *Quality Potential Assessment* (QPA) asks individuals to describe the actual conditions that prevail in their organizations, and those they would prefer to have govern their work. The QPA results in a set of *actual* scores and a set of *desired* scores. It measures the existing and preferred conditions of competence the actual and desired strengths of the dimensions of competence – and how much of available potential is being utilized. QPA reliability ranges from .91 to .94.

The Basic Design

The whole idea of verifying the premise revolves around seeing whether we can, by knowing the strength of the dimensions for competence, predict the performance of an organization or group. If we find we can predict performance, we may then say we can indeed measure the competence level of the organization.

We have discussed climate issues, feelings in the workplace, assuming that feelings or morale would also vary as a function of the way the conditions for competence were managed. In order to test this corollary to our original hypothesis, we added to our QPA a section that measures feelings of satisfaction, frustration, commitment responsibility, and pride. We were then prepared to see whether organizational *conditions* for competence could predict individual *feelings* of competence.

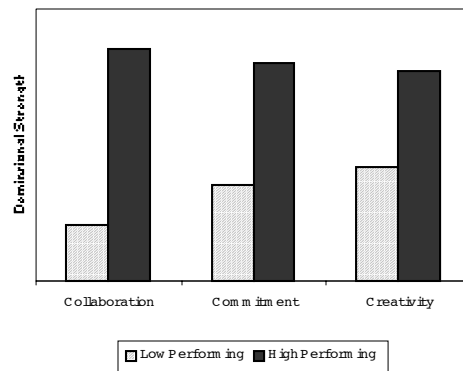
Then came the issue of defining performance level. Rather than using some arbitrary economic or sociological criteria to differentiate corporate entities, we went to organizations and asked each to identify for us a low- and a high-performing group on the basis of the criteria ordinarily used by the organization to judge performance. Represented in our sample are high- and low-performing groups from a retail grocery chain, an engineering research and development corporation, a petrochemical organization, a large manufacturing industry, a fast-food chain, and one of the nation's major banking concerns. We used a matched group design as a control measure. We asked that both the high and low groups be approximately the same size and that they each perform the same organizational function. We made sure it was understood that we did not want groups of high- or low-performing *individuals*, but that we wanted groups consisting of individuals who ordinarily worked together as a unit. The groups could be divisions, teams, plants, regions, and so forth. They could be selected on the basis of sales, production, number of labor grievances, absenteeism, employee turnover, or whatever.

So we measured the extent to which the conditions for collaboration, commitment, and creativity exist in those units deemed by the organization itself to be operating on a substandard level and on a superior level. Our hypothesis, again, was that we should find more positive conditions for competence characterizing the higher performing part of each organization than we should in the lower performing segment. And we expected that the difference would be great enough to be statistically significant. At the same time we measured the feelings of competence in the workplace of each individual. In all, we measured 18 groups –576 individuals – from 9 different organizations.

Competence and Performance

High-performing groups are characterized by significantly stronger conditions for competence than are low-performing groups. The low-performing groups, on the average, reported fairly low levels of collaboration and commitment with major emphasis being placed on creativity supports. Such a picture reflects the preoccupation many managers have with getting the work done, which of course centers in the task environment, social context and problem-solving conditions for creativity. And the difference between the high and low groups was so substantial that in statistical terms they might be expected by chance fewer than one out of ten thousand times. The results were the same when we put all the low groups together and all the high groups together as they were when we examined each organization separately. As may be clearly seen in Figure 6, organizational performance varies as the conditions for competence vary. This result is precisely as expected under the tenets of the competence process. The premise is verified.

But what might we expect the reaction to be from organizational leaders upon learning that on the dimensions of collaboration, commitment and creativity, the people in their high-performing group report one set of conditions and the people in their low-performing group report a different set? They might say something to the effect that the people who make up the low-performing group



are “different” from those in the high-performing group, and obviously they have to be managed differently. “The nature of the people in the low-performing group makes it impossible to manage according to the same high standards we use with a high-performing group.” So we looked at the conditions people preferred in light of those they were experiencing. Consistent with the notion of a competence motive among people, we discovered widespread evidence of a competence ideal... a desire among people to realize their potential on their jobs.

The Competence Ideal

The people in our validation study, irrespective of organizational type, whether members of high- or low-performing groups, categorically desired conditions in their work settings which would allow them to be more competent than those they were experiencing. The low-performing groups reported an even higher competence ideal than did the high-performing groups. This finding speaks to readiness for change.

How ready are the people in low-performing organizations for the conditions of competence? Their competence ideal says they are quite ready, possibly more so even than those who are already at a higher performing level. Perhaps these people are reacting more strongly because they have been deprived. If people have been deprived of something and are aware of their desire for it, when they are finally asked whether they would like to have it, they want more than someone who has had it all along. And so, to those who would believe people in groups characterized by low performance are a “different sort,” we submit this finding.

The competence ideal results speak directly to one of the theoretical assumptions we made at the outset. Given the opportunity and the fact that there is a competence motive, people will perform because they *need* to be competent. The more this need is thwarted, the stronger it becomes, and the greater becomes feelings of frustration and alienation. We had, in the discrepancy between desired and actual levels of competence force, a measure to indicate the strength of this need. We decided to look at our “feeling” data in light of these discrepancies.

Competence and Morale Factors

Even though people may not talk about their competence ideal while they are on the job, they have a very conscious awareness of “how it is” versus “how I would like it to be.” They labor day in and day out with that awareness of discrepancy.

What effect does the presence of such a perceived discrepancy have on productivity and on morale? It has a rather profound one, we discovered. We found, first of all, that by using *only the discrepancy* data – the difference between the *actual* and the *desired* scores – we could predict high/low group membership with

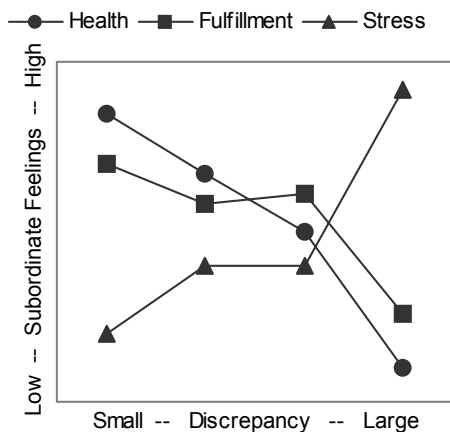


Figure 7. Health, Fulfillment, and Stress in the work-place as a function of the discrepancies between Actual and Desired managerial practices.

significant accuracy. More important, we found we could also predict dissatisfaction and frustration. The greater the discrepancy, the greater the dissatisfaction and frustration.

Malaise, poor morale, low feelings of competence, then, may be thought of as discrepancy phenomena. The difference between what the individual experiences and what he or she desires is pegged to that individual’s own competence striving. What we have traditionally labeled as job satisfaction issues may, in fact, be more akin to the clinical issue of *reactive depression*: the sense of hopelessness, anger, and chronic despair which stems from situational loss or deprivation. Managers who mismanage the competence process are denying people their feelings of efficacy, their opportunities for a sense of worth. The payoff in terms of internal psychosocial dynamics is depression, as evidenced by high turnover, absenteeism, sabotaging behavior, and the like.

The Principles of Competence

Out of our research findings came an operational bonus – three related effects emerged which supply guidelines for the management of potential. These three bear on the very practical task of managing for total quality. To them we accord the status of *Principles of Competence*. They may be used to apply the process, release potential, and achieve greater quality performance on behalf of the organization.

The Principle of Isodynamic Balance

When we removed organizational differences, the analysis revealed a dimension which gave rise to the articulation of an operating principle of competence – *The Isodynamic Principle*.

The high-performing groups were characterized by an equal magnitude among the three forces of collaboration, commitment, and creativity. A corresponding lack of equality and magnitude among these forces emerged to characterize the low-performing groups. This enabled us to depict the competence of an organization or a group graphically in the form of a triangular plot. Plotting low- and high-performing groups, we found that not only were the plots of the low group smaller in terms of the overall size of the triangle, but they were skewed

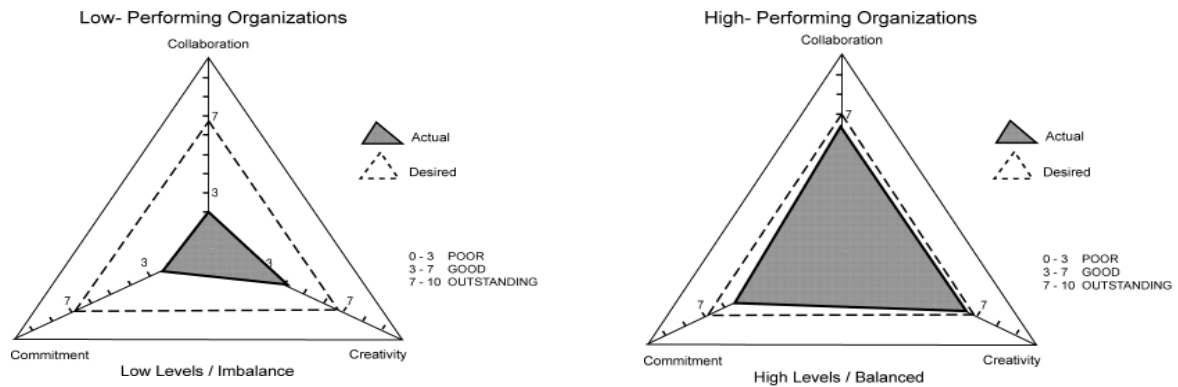


Figure 8.
A comparison of the balance among competence dimensions
of low- and high-performing organizations.

out of balance in one direction or another. They were non-isodynamic. The plots of high- and low performing research groups, as portrayed in Figure 8, serve to illustrate this principle graphically.

In a state of isodynamic balance, the forces of collaboration, commitment, and creativity are of equal magnitude. They must be higher than some minimal threshold for us to say there exists a *dynamic* balance pursuant to competence. If they are below the minimum threshold, there exists a *static* balance. The energy in the organization is either being dissipated or turned back in. If the three forces are isodynamic the plot is a large equilateral triangle and the organization may be considered competent. The plot of a less competent organization may yield any one of a number of smaller and/or scalene triangles. The isodynamic principle says that *competence requires the type of management which achieves a high level and maintains an equality of forces among the dimensions of collaboration, commitment and creativity.*

Now, what happens if the isodynamic principle is violated? How frustrated do people feel? How satisfied do they feel and how responsible? How much pride do they take in what they are doing? Is quality Job #1? We found the major effect of violating the principle to be felt at the emotional level, in terms of how people feel about themselves and the quality of their work.

Disregarding the specific organizations from which the data came, we created hypothetical organizations by grouping the data according to scores on the three dimensions of competence. One group consisted of individuals reporting weaker than average collaboration, commitment, and creativity; another of those reporting low collaboration, and low commitment, but high creativity; then high collaboration, low commitment, high creativity, and so on, using all possible combinations of lower and higher than average scores on each of the three dimensions. In this way, we categorized individuals by all the various combinations of forces. And then we looked at the social-emotional feelings characterizing those organizations. We were interested in seeing if we could tap into the climate that might be said to characterize organizations which violate the isodynamic principle.

We found that organizations in which all three forces are weak are characterized by low feelings of competence, whereas isodynamically competent organizations, in which all three forces are strong, are characterized by the higher levels of competence feelings. Moreover, feelings of competence increase as systems become more isodynamic, as the number of strong operative forces increases, so do overall feelings of competence. Of passing interest was the finding that organizations in which collaboration is high, but commitment and creativity are low, are second

only to organizations low on all three dimensions in poor feelings of competence. At this point we realized that the dimensions of competence lend themselves to force field analysis.

The Principle of Polarity

We had been thinking of these forces as either weak or strong, but as we worked through the analysis, it became clear that these are not single unit dimensional forces which simply range from some inert zero to some maximum state. Rather, they are bipolar. The opposite of a strong collaborative force is not simply zero. The opposite is a strong non-collaborative force. There is a threshold below which we can no longer think of forces for collaboration or commitment or creativity being merely weak, but rather must consider them as being in opposition to competence. There is a point at which they actually begin to work against competence. By working only with the polarity of the forces, by assigning positive or negative weights to each individual's dimensional scores, we found we could predict with 65% accuracy the performance of the group to which individual belonged.

The *Polarity Principle* addresses the interplay – counterplay, as it turns out – among the forces of collaboration, commitment, and creativity, and the *net* effect of these forces on competence. A neglected or unmanaged force for competence, rather than just being weak or going to zero, tends to undergo negative drift, eventually becomes a negative force in the organization, and actually serves to oppose competence. So managers who have neglected the conditions for commitment and creativity, and have put their eggs in the collaborative basket assuming that all will be well, very definitely have two forces working against and only one working for them in their pursuit of quality.

It appears that the overall competence level of the organization is a function of the ratio of the positively accelerated competence forces to the negatively accelerated competence forces. The likelihood of a zero position in any of the dimensions of collaboration, commitment and creativity is just about nil. The force will be either

positive or negative but hardly ever zero. We noticed, however, that performance level seemed to depend not only on *how many* positive and negative forces were operating, but also on *which* forces were positive and which were negative. This led us to look for our third operating principle of competence.

The Principle of Proper Sequential Management

There *is* a proper sequence for attaining competence, for the order in which collaboration, commitment and creativity are established and approached. And it is the order in which they have been presented throughout this paper:

Collaboration	→	Commitment	→
Creativity	→	Competence.	

The principle of *Proper Sequential Management* says if these dimensions are approached out of sequence, the competence process is disrupted and a less healthy climate and lowered productivity result. The proper sequence begins with the establishment of collaborative conditions, followed very quickly by attending to support conditions for commitment. Commitment must then be followed, almost overlapped, by attention to conditions for creativity.

What happens when the Proper Sequential Management principle is violated? Many managers bypass collaboration, bypass commitment, and place major emphasis on conditions for creativity. We found the *short-circuiting* of the process to occur in 87% of the low-performing groups we studied. In other words, short-circuiting of the competence process may be said to be a characteristic of low performance.

Another violation of the principle might be thought of as *aborting* the process: Not taking the three dimensions through the full sequence. Collaboration, perhaps followed up with some attention to commitment, perhaps not, with creativity not attended to at all does not complete the sequence. Aborting may be primarily thought of in terms of a collaborative organization that omits the follow-up supports in their proper

sequence. Such a pattern seems to impact climate rather than performance; an adequate amount of performance may result, but it is accompanied by very high levels of dissatisfaction and frustration. Those groups characterized by un-aborted, proper sequential management accounted for 80% of the high performers in our study.

If we follow the principle of Proper Sequential Management not only do we increase our own chances of achieving organizational competence but we set in motion a self-reinforcing, recursive cycle. The more people collaborate, the more committed they become – the more committed become, the more they want to be creative – the more opportunities they have to be creative, the more collaborative needs they have and the more they have to contribute – the more they contribute and collaborate, the more committed they become.

.....Proper sequential management sets up a vital, energetic, self-renewing cycle that moves toward higher and higher levels of organizational competence.

Closing the Gap: The Key to Total Quality

The results of the Competence Process research project suggest a very simple reality: If we truly want total quality in our organizations, we must manage our organizations in a way which mini-mites interference with the human potential available to us. This means we must begin to “close the gap” between “what is” and “what is needed” for quality performance to become a reality in our organizations.

The environmental gap between what workers need and what they have – a sign of interference with potential – is the true problem. ..and closing the gap is the opportunity facing those who aspire to higher quality performance. It is quite an impressive opportunity. For one thing, it is virtually free. Closing-the-gap will require no retooling or additional capital. The only new technology required will be a social technology – many managers will have to learn a new way of managing. They will first have to employ the policies and practices, adopt personal priorities, which are geared to encouraging and facilitating a full release of the human competence at their disposal. Then, they must connect that competence to the work that needs to be done. Their workers can tell them how to do this.

And what will the payoff be for embracing such an opportunity? Our research shows that if managers would close the gap – convert the current organizational environment to what workers say they need to do their best work – they could expect a 54% increase in quality production, over current levels, in less than two years time. In other words, by making better use of available resources, managers could increase current performance by at least half again. ^{2, 3}

The key to both the problem and the solution, it seems, is management. We have named our most prestigious and coveted quality award after the late Malcolm Baldrige. But, perhaps a more sincere way to honor his memory would be to heed his advice to us as Secretary of Commerce. “This country doesn’t need more productive labor,” he told us. “What it needs is more productive managers.”

2. Cook, C. 1992. ‘Partners in Excellence: Ford’s Best idea’ (Reading) The Woodlands, Texas: Teleometrics International, Inc.
3. Moskal, B. September 21, 1987, *Industry Week*. Cleveland, Ohio: Penton Publishing, Inc.