

Human Resources

Building a People-Centered Culture in a Digital Age Environment

By [Bryant Avey](#)

As we move into the Digital Age, organizations must reevaluate traditional infrastructures, redesigning themselves to move at “the speed of thought,” rather than the lethargic pace of the Industrial and Information ages.

Over the past 20 years, the American economy has undergone a radical shift from an industrial economy to a “teconomy.” As we move into the Digital Age, a phrase coined by Nicholas Negroponte, founder and director of the MIT media lab, organizations must reevaluate traditional infrastructures, redesigning themselves to move at what Bill Gates calls the speed of thought, rather than the lethargic pace of the Industrial and Information ages. Digital speed is the result of a “connected” planet. It exerts a sense of urgency in the need to reevaluate traditional infrastructures, because in spite of all the dialogue on how to change the way corporations are run, many organizations still are mired in Industrial Age methods.

Compelled by market pressure and flavor-of-the-month consultant philosophy, corporations have been encouraged to structure and restructure business systems in search of more profitable and more efficient ways to run their businesses. However, in the Digital Age, or D-Age, employees are shunning traditional organizational structures in favor of those that allow them to make a difference. D-Age workers are hungry for opportunities to contribute to the purpose and to help shape the structure of their organizations. In order to retain and continue to attract top talent, organizations need to establish a D-Age infrastructure.

Perhaps the greatest failure of the last decade has been the helter-skelter rush to embrace any prevailing doctrine of change, so that organizations could claim to have cutting-edge style management. D-Age infrastructure cannot and should not be based on hastily thrown-together methodologies and best-of-breed benchmarks.

There are many reasons to use care in constructing corporate infrastructure. A number of the infrastructures based on the traditional models (i.e., paternalistic, leader as a hero, and command and control) have fallen into disfavor because they make hiring and retaining good employees more difficult.

The D-Age marketplace belongs to the relentless. Discovering and holding onto talented workers can mean the difference between corporate failure and a plump bottom line. Furthermore, when companies jump feet first into popular management theory without testing it against the confines of their own corporate culture, the results tend to be less than satisfying.



Changing the infrastructure should not be something a company can purchase from a one-size-fits-all plan. Accordingly, the first rule of effective infrastructure is defining values. Values are important because they provide a foundation and define structure. Values also bind employees together and generate a sense of enthusiasm, which is the only way to produce outstanding results. A D-Age infrastructure requires that organizations focus on four fundamental areas known as IBET:

- 1 Incentives.**
- 2 Benefits.**
- 3 Education.**
- 4 Career Track.**

These four areas provide a flexible framework for creating a shared sense of purpose in the workplace, while meeting the demands of a digitally paced marketplace. Each component in IBET plays an important role in achieving this objective.

Incentives

Incentive is perhaps the most misunderstood component of the four elements of D-age infrastructure. A great deal of the confusion comes from the way the word is used. Is incentive the same as reward? The proverbial carrot leading the donkey? Or is it self-direction joined with self-managed motivation? Most organizations, understandably, blur the lines between the two extremes because the definition is so hard to pin down. The discussion then centers on whether an organization can provide extrinsic motivation or whether motivation must come from an intrinsic source.

Incentive motivates employees by transferring purpose and vision. It is achieved through communicating the following:

- Organizational purpose.
- Clear definition of the employee's role within the organization.
- Communicating the importance of that role through recognition policies.
- Strong corporate culture.

Defining the organizational purpose and the importance of the employee's role within that purpose is vital to creating motivation. Purpose is an intrinsic motivator. It answers the question "Why?"

Studies have shown that even slight modifications in employee environment can create short-term change. For example, employees will work harder for the promise of a promotion or to meet a deadline. But intrinsic motivation comes from a genuine belief in the importance of the employee's role in the purpose of the organization.

Although intrinsic motivation is the result of purpose, research in workplace motivation clearly indicates that employees will pattern much of their behavior on what the company rewards. Employees learn company values by observing which activities

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are rewarded and which are punished. It is important to understand that rewards don't compensate for creating an authentic culture in which intrinsic motivation exists.

A competitive edge cannot be sustained through the sole use of extrinsic incentives. For years, companies have been focusing on motivating employees by offering rewards, while ignoring the more significant, high-level motivator—communication of purpose.

A good example of how extrinsic rewards can backfire is the practice of giving annual or quarterly bonuses. When a bonus is given in this manner, it is no longer a reward, it becomes a benefit. Even if the bonus is based on performance metrics, employees will feel entitled to it, thereby taking the bonus for granted. If the bonus is not given because of unmet objectives or a change in the reward policies, employees will feel demoted or punished. To be effective, rewards must be clearly defined, equitably instituted, and objectives-based.

Benefits Benefits are not as misunderstood as incentives, but often lack relevance and creativity. Benefits are desirable goods and services that can be given, acquired, or earned. They are to be taken advantage of and taken for granted. Benefits are different from incentives because mass participation is encouraged and measured. In the IBET system, benefits brand the organization by creating a clear identity and unique loyalty. In addition to branding, benefits connect individuals with the advantages inherent in a company's purpose. Benefits reflect a commitment to employees, which, in turn, compels a sense of loyalty and ownership within an organization.

There are several measures for the effectiveness of benefits in the organizational infrastructure, the most accurate being the level of participation by the audience to which the benefit is offered. If there is little or no participation by employees of a particular benefit, it should be dropped.

Besides participation, benefits should create an environmental advantage for an organization. The most difficult aspect of developing a benefits program is that it must be developed from the employee's perception of value. Benefits must be marketed to employees so they can feel enticed into the program. Benefits reflect corporate values and may vary depending on the organization's purpose, vision, and plans.

Education

According to Alvin Toffler, author of *Future Shock*, "The illiterate of the future will not be the person who cannot read. It will be the person who does not know how to learn." Continuous learning is ageless. Organizations can expect its relevance to grow as a D-Age value. In fact, most large corporations have adopted continuous learning as a core skill. Even so, many companies are still unsure of how best to institute an effective learning program into their organizations. Utilizing training conventions from the Industrial Age is a recipe for failure in the D-Age because it does not involve learning. Traditionally, organizational learning has been content-driven, often leaving out the most important element in the learning process—purpose. In the D-Age infrastructure, education has a four-fold purpose:

- To transmit and extend corporate values.
- To educate in methodologies and technique.
- To generate the conception of new ideas.
- To communicate paradigm shifts.

The D-Age tools of learning focus on process-utilizing methods such as systemic mentoring, scenarios training, learning extension, and purpose illustrations. Learning occurs by acting and

interacting. Companies should make room for trial-and-error experiences that are passed along the organization because it allows employees to learn the best methods for solving problems. In addition to teaching techniques and methodologies, transmitting corporate values is vitally important to a corporate education program.

Teaching Corporate Values

Training based solely on transferring content is a restricted view of learning. This narrow viewpoint prevents organizations from using training as a strategic communication tool capable of transmitting cultural values. When corporate values are emphasized as part of training, they can be translated into meaningful employee action.

Teaching Methodologies and Techniques

Training methodologies and techniques is another extremely important aspect in the IBET infrastructure. Concepts must be taught in tandem with skills and then married to action. The key is to get individuals to the point of doing. To accomplish that, employees have to know how and why things work, be shown examples, then be allowed to experiment and apply the knowledge within the context of their areas of responsibility.

Training scenarios should be based on the purpose of learning, the structure of learning, the content of the learning, and the context of learning. In the Industrial Age, training focused primarily on instructor-led coursework where students listened and took notes. Learning was the responsibility of the student and content changed very slowly. In the D-Age environment, classroom teaching works for introducing core concepts, but does not allow for dynamic learning. To be dynamic, it must be interesting, entertaining, and experiential.

Generating New Ideas

The best learning environment for employees is give-and-take. Content can be taught, but the same content is open to discovery and questions. Are there better ways to achieve an objective? Can quality be improved? An open learning environment allows organizations to view the learning process as a form of knowledge-discovery and management. Learning results can be collected and reused. Knowledge harvested from learning sessions can be used as a benchmark for generating corporate initiatives, product or service changes, and identification of marketplace trends before they become fact.

This knowledge-discovery process models the marketplace in that businesses often adopt information from colleges and universities. However, in the D-Age, organizations have little time to wait for direction from institutes of higher learning. In fact, D-Age savvy companies are pushing colleges and universities to transform their infrastructures to keep pace within the digital marketplace.

Career Track

The final component of the IBET philosophy is career track. To inspire motivation in today's flat organizations, many companies now use career tracks. Career tracks allow employee movement between groups, functional areas, and projects. This horizontal movement creates the opportunity for cross-functional training and understanding. It allows employees to be compensated based on the value they bring to a project, not only on the role they take within an organization.

Summary

To retain employees and maintain a competitive edge, companies must change how they view their most valuable asset—the employee. Unfortunately, some companies still see employees

as liabilities, detracting from bottom-line profits. An appalling example of this archaic attitude recently occurred in a strategy meeting at a major national consulting firm. The CEO, in an address to employees on the partnership career path, informed them that they were “indentured servants.” He then encouraged the senior-level consultants to work harder to become partners, thereby earning their way out of “slavery status.”

This organization understood the importance of infrastructure. They had the carefully structured message, the benefits program, the incentives, and even a surface learning program. However, what they lacked was authenticity. They did not understand that the most important result from the D-Age is that a company must see the true value of good employees. The entire organization and career path of this company was structured around a value system which elevated profit over employee. Needless to say, most of the group on the partnership path eventually left the organization, some of them to work for competitors, others to start their own consulting firms, and many to organizations that will never hire that particular consulting firm.

The D-Age is characterized by fierce competition for top employees. More than ever before, good employees are examining every aspect of an organization’s infrastructure to avoid situations like the one outlined above. A company that uses care in shaping the four areas of infrastructure, incentives, benefits, education, and career track, and applies them with authenticity, will find the hiring and retention of top employees much easier in the D-Age.

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