Building

Organisational Capability

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Abstract

Much has been written about the benefits to be derived from maximising organisational capability as a means of increasing competitive advantage, establishing human resource functions as a strategic partner and improving stakeholder satisfaction. However, there is very little in the research on how organisations build their organisational capability (OC).

This thesis explores how developments in our understanding of strategic planning and human resource practices have contributed to a focus in organisations on building their organisational capability. The emergence of the resource-based theory of the firm, together with changes in human resource practices in job analysis, performance management and staff development has laid the foundation for organisational capability. A Model of Organisational Capability is proposed that explores how systems and processes can be aligned to maximize core organisational capability.

Three research questions emerge from the literature and the Model:

- How do organisations define their Strategic Intent Domain?
- How can organisations define their Core OCs?
- How do organisations embed their OCs into their Job Context, Organisational Systems and Knowledge Networks Enablers?

These questions are explored by examining an Australian University utilising a participatory action research methodology. The study focused on how the organisation engaged senior managers to develop an organisational capability framework and agreed on a strategy to embed the capabilities in HR practice. As a result, this thesis presents a step-by-step process for organisations seeking to build their Core Organisational Capability. Practitioners wishing to maximize their organisational capability can draw on the Model of Organisational Capability, step-by-step process and contextual principles, to assist them to engage with the organisation to explore an organisational capability agenda.
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Abbreviations

ADSS  Human Resources Associate Director Strategic Services
APD  academic professional development
AQF  Australian Qualification Framework
BARS  behaviorally anchored rating scales
BOS  behavioural observation scales
CEO  chief executive officer
DVC  Deputy Vice-Chancellor
EdD  Doctorate of Education
EOS  employee opinion survey
FRP  Finance and Resource Planning
HEW  higher education worker
HR  human resources
HRD  human resource department
HRSS  Human Resources Strategic Services
IT  information technology
ITS  information technology services department
KSA  knowledge, skills and abilities
LandD  learning and development
MBO  management by objectives
MOC  model of organisational capability
Nud*st  Qualitative analysis software tool
OC  organisational capability
P-A-O-R  plan-act-observe-reflect
PAR  participatory action research
PPR  performance planning and review
QLP  quality leadership profile
RBTF  resource-based theory of the firm
RandS  recruitment and selection
SC  strategic capability
SDP  supervisor development profile
SMDP  senior management development program
SSC  senior staff conference
SSG  senior staff group
SWOT  strengths, weaknesses, opportunities and threats
teaching and learning
TandL  Teaching and Learning Support Services
TALSS  Teaching, learning and research
UNI  Australian University – pseudonym for the organisational host of Case Study
VC  Vice-Chancellor
VCAC  Vice-Chancellor’s Advisory Committee
WCPS  Workforce Capability Profiling System
WFC  workforce capabilities
Statement of Original Authorship

The work contained in this thesis has not been previously submitted for a degree or diploma at any other higher education institution. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made.

Signature: ________________

Date: ________________

Acknowledgments

Completion of a professional doctorate thesis represents the finality of a substantial phase of personal and professional development. The task requires the author to become consumed by the topic and single minded.

Reaching submission is indeed a watershed in the author’s life, a time of great relief and sense of personal achievement. Just as the sacrifices are partially borne by those who have shared the journey, the success is also bestowed on those who have helped to ease the path.

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Chapter 1 Why is Organisational Capability on the Agenda?

1.1 The Organisational Context

Organisations have traditionally utilised an analysis of their strengths, weaknesses, opportunities and threats (SWOT) as a fundamental approach to developing organisational strategies (1999). Historically, organisations assumed resources were readily acquirable from the market and the strategies were designed to take advantage of opportunities and minimise threats (Hayes, 1985; Luoma, 2000; Ulrick & Lake, 1991). Traditionally, strategic planning has been the process organisations have used in order to achieve their future goals.

The resource-based theory of the firm (RBTF) (Barney, 1991, 2002; Grant, 1991) however, questioned the assumption that human resources were readily available, and so changed the nature of the strategic planning process. Rather than future strategies informing the composition of the workforce, human resources capabilities began to be recognised as having a critical role to play in guiding the organisation's strategic development (Ulrick & Lake, 1991). Consequently, organisations became more conscious of the strategic nature of their workforce and began to see their workforce as knowledge workers, empowered to choose their organisation, making staff capability and development of critical strategic relevance (Grant, 1991; Hayes, 1985; Luoma, 2000; Prahalad & Hamel, 1990; Teece, Pisano, & Shuen, 1998).

Human Resource Management (HRM) has principally been used by management to integrate the behaviour of individuals with the interests of the firm (Goold & Quinn, 1990). Workforce planning, recruitment and selection, staff development and performance management are traditional human resource development infrastructures that organisations use to mould their workforce knowledge, skills and abilities (Luoma, 2000; Schuler & Jackson, 1987; Stalk & Evans-Clark, 1992; Ulrick & Lake, 1991; Yeung & Berman, 1997). However, these systems have taken a relatively individualistic and short-term approach, focusing on the individual needs of the role, and the immediate priorities of the work unit.
Increasing sophistication within the human resources (HR) profession has seen performance management and job analysis attempt to develop stronger links with strategic planning and the future direction of the organisation (Dunphy & Griffiths, 1998; Limerick, Cunnington, & Crowther, 1998; A. M. Mohrman & Mohrman, 1998; Schultz & Hofer, 1999; Scotts, 1999; Turner & Crawford, 1998). Strategic HRM researchers such as Liao (2005) now focus more broadly on bundles of HR practices. Nevertheless, these HR processes and systems have been seen as relatively discrete from the organisation's future agenda, with Human Resource Development functions still operating largely independently from the organisation's strategic context.

Accordingly, the contemporary view of modern management theorists is that organisations need to define their 'real' desired organisational capability, and identify their core capabilities to ensure sustained competitive advantage (Aleee, 1977; Argyris & Schon, 1996; Leonard-Barton, 1992). These capabilities are now being seen as intangible knowledge assets, and as such, need to be measured and managed, like any valued asset. Knowledge is seen to exist within a number of knowledge families, and utilisation of all these families to develop a strong depth of complementary knowledge is desirable (Sveiby, 1997, pp. 11-12).

In summary, the power of an organisational capability approach comes from making HR infrastructures a partner in developing organisational strategies. By connecting the HR processes and systems that shape the nature of the workforce (workforce planning, recruitment and selection, staff development and performance management) an organisation's competitive advantage can be developed (Luoma, 2000; S. Mohrman & Lawler, 1998; Schuler & Jackson, 1987; Yeung & Berman, 1997). In isolation, these HR systems that shape the workforce cannot build organisational capability, or make human resources a strategic partner. Thus the concept of organisational capability is differentiated from other approaches in HR, as its significance comes from the systemic thinking that links HR systems and processes to the strategic planning processes, making HR a full strategic partner within the organisation.

The importance of organisational capability is supported by a recent study by Park, Gardner and Wright (2004) of HR executives in the Asia-Pacific region which explored issues shaping their organisational and workforce needs in the future.
Their research revealed that 60% of respondents believe that effective management of human assets was the most significant organisational capability to achieve competitive advantage in the next three to five years. Particular mention was made of the need for the development and retention of high potential employees, strengthening leadership and management abilities and sustained performance through people strategies.

With this changing view of the strategic nature of the workforce, and seeing human resources as an asset rather than a commodity, organisations need to change the way they view their workforce (Sveiby, 1997). Further, the role of internal and external learning and knowledge generation to increase performance, has been identified as a source of competitive advantage in a study of 164 manufacturing plants across five countries (Schroder, Bates, & Junttila, 2002). However, traditional descriptions of an organisation’s strategy do not typically include descriptions of their workforce’s capabilities. Workforces tend to be described in terms of demographic profiles and employee streams, with traditional role descriptions at best focusing on the competencies of discrete work roles and duties (Brannick & Levine, 2002). Organisations therefore struggle to define their desired organisational capability in a way that relates equally to their future workforce capability and the individual's work context (Boyatzis, 1982). This lack of meaningful definition makes it very difficult to utilise the capabilities of the workforce as a strategic advantage. Since the depth of capability cannot be measured or defined, it is more difficult to address identified deficiencies (Finegold, Lawler, & Ledfor, 1998).

As organisations seek a new way of defining, measuring and developing their organisational capability, the origins of the concept of organisational capability provide insight into understanding the terminology.

1.2 The Emerging Concept of Organisational Capability

Organisational capability (OC) is a relatively new concept in management literature. It has evolved from the struggles of educators and employers seeking to develop graduates with the optimum utility in the workforce (Stephenson, 1992). In many ways the search for the optimum student mirrors the desires of employers for the optimum employee. Consistent with the philosophies of Taylor’s (1911) scientific
management, the search for optimum utilisation of the workforce by developing organisational capability seeks alignment with the needs of the organisation (Hamel & Prahalad, 1994; Luoma, 2000; Prahalad & Hamel, 1990).

The multiplicity of dimensions of capability is evident by the variation of applications in the workplace (Hamel & Prahalad, 1994; Sveiby, 1997). Stalk and Evans-Clark (1992), Teece et al. (1998) and Lado and Wilston (1994) utilise core capability as a focus for competitive market positioning, and immersing the workforce in these strategic capabilities forms the basis of structural decisions and strategic alliances with other organisations. Alternatively, Leonard-Barton (1992) and Sveiby (1997) in knowledge management organisations focus on the benefits of strategic capabilities to inform development and knowledge management.

The HR discipline’s understanding of capabilities is emerging, although the concept is less well defined than the related construct of competencies (Bridge, 1997). Indeed it can be seen that competencies form the building blocks of capabilities, as we seek to apply competencies in new contexts and situations (Stephenson, 1992; Sveiby, 1997).

A growing body of research sees developing organisational competence as being highly contextually dependent and unable to be aggregated in a meaningful way, as each individual's competencies relate to their work experience (Chappell, Gonczi, & Hager, 2000; Lado & Wilston, 1994; Schön, 2002). This definition of competence highlights one of the challenges in understanding organisational, for if competence is only meaningfully defined in terms of an individual’s experiences of capabilities, how then can an organisation be seen to share an overarching organisational capability? Indeed, the challenge in defining capability is to enable it to be both defined in terms of the organisation's competitive advantage, and then translated in a meaningful way within individual work contexts.

1.3 Structure of the Thesis

This thesis seeks to clarify the confusion within the literature regarding the implication of organisational capability (OC) agendas at the organisational and individual levels, and provide guidance to organisations seeking to pursue an OC agenda. The thesis focuses on how an organisation can achieve a change in mind-
set to embrace an OC agenda, rather than issues that relate to the implementation of OC strategies.

The review of the literature shows how the concept of OC has evolved from the strategic planning, performance management, job analysis and staff development literature (Chapter Two). A Model of Organisational Capability (MOC) has been developed that draws from the literature the implications at both the organisational and individual level, suggesting three organisational domains of strategic intent, organisational structures and individual knowledge (Chapter Three).

The MOC is used as a tool for developing a greater understanding of the nature of OC within an organisation, and how human resource systems can best be aligned to support its development. In examining these issues the following research questions are explored:

- How do organisations define their Strategic Intent Domain?
- How can organisations define their Core OC?
- How do organisations embed their OC into their Job Context, Organisational Systems and Knowledge Networks Enablers?

By employing a participatory action research methodology in a case study (Chapter Four), the thesis examines how an organisation can utilise the MOC to engage the organisation in an OC agenda (Chapter Five). Approval was granted by an Australian University to be the host site of the research, with the research being seen as ‘low risk’ and gaining ethical clearance (QUT Ref No. 3777H). The learnings from the case study result in a four-step process and a set of guiding principles for organisations seeking to pursue an OC agenda (Chapter Six). The final chapter (Chapter Seven) relates the findings of the study to previous research, explores the generalisability and limitations of the research, and offers suggestions for future research.

The thesis focuses on the process of developing an organisational capability agenda within a tertiary education sector organisation, further research is warranted on the impact of this experience on the organisation and its stakeholders. The researcher fulfilled dual roles as both employee and researcher providing a detailed
understanding of the organisation, further research is needed to establish if similar outcomes would be achieved under different circumstances.
Managerial approaches and attitudes have evolved since the early thinking of Taylor (1911). These changes in managerial approaches and attitudes largely emerged in response to perceived deficiencies in earlier approaches. This chapter first provides an outline of the changing context of the Australian workforce that shapes current thinking on organisational capability, and then explores the emergence of OC as a focus in strategic planning, and in the human resource functions of performance management, job analysis, and individual development.

### 2.1 The Evolution of the Nature of the Workforce

Dunphy and Griffiths (1998) provide a detailed description of the Australian organisational landscape and an insightful historical analysis of how organisations have viewed their human resources and the differing roles of change agents and employees. They identify five different approaches to change, the Bureaucratic, Human Relations and Organisational Development, Socio-Technical Systems, Total Quality, and Strategic and Sustainability. Similar views are expressed by Limerick et al. (1998).

Dunphy and Griffiths (1998) explore the drivers behind changing approaches to management in Australia. They describe the emergence of change agents as leaders of the Organisational Renewal Movement, who will be champions of the sustainable organisations of the future. In the Sustainability Approach described by Dunphy and Griffiths (1998), there is a strong acknowledgement of the impact of a dynamic and changing environment for organisations, and the need for sustainable and synergistic systems. These challenges have been highlighted by changes in the demographics of the Australian workforce, making the development of organisational capability an increasingly urgent priority for organisations to gain sustainable competitive advantage.

### 2.1.1 The Profile of the Workforce

The urgency for organisations to come to optimise the contribution of the workforce has been magnified by Australia's demographic profile. Australia faces an aging
workforce, with many organisations facing a substantial loss of corporate knowledge and expertise that is increasingly difficult to replace. The age of the Australian workforce has risen dramatically over the last thirty years:

- 1971 - median age of 27 years, with 8% of the population aged 65 years or over
- 2001 - median age of 35 years, with 12% of the population aged 65 years or over
- projected by 2051 - median age of 42 years, with almost 25% of the population 65 years or over.

In the future, the workforce will be smaller as the growth rate of the labour force declines (Australian Bureau of Statistics, 2003, p. 1).

The demographics of the new workforce will also be different, with more part-time workers and an increased representation of women in mid-life. Workers will also have increasing responsibilities for aging family members, whilst younger ‘Generation Y’ workers will also seek a higher quality of life and a greater emphasis on balancing work and family needs (Hudson Global Resources and Human Capital Solutions, 2004).

Organisations have responded to the changing workforce demographic challenge in a number of ways. A focus on exploring strategies of employee attraction to become an employer of choice will not suffice. Strategies to retain and protect intellectual capital and make the best use of older workers’ knowledge will play a key role in the future of successful Australian organisations (Corporate Leadership Council, 2002a; 2002b).

The current workforce situation facing Australian organisations is well summarised by Jorgensen (2004):

...the ageing population, low fertility rates and the looming skills shortage combined with the influences of globalisation and information communication technologies, if not handled well, might constrain the capacity of Australian organisations to achieve their goals and to meet stakeholder obligations (p. 4).
With extreme pressure on organisations to seek strategies to reduce the impact of knowledge drain and a shrinking workforce, they have become increasingly aware of the need to optimise the value of their workforce.

**2.1.2 Measuring the Value of the Workforce**

Just as organisations have not previously defined the contributions of staff to the organisation's efforts, neither have they explicitly measured those contributions, or moved away from the concept of assets being only plant and machinery. A new mindset is needed that reflects the changing nature of organisations to be increasingly concerned about service delivery and the knowledge needed to satisfy ever-changing needs. Amongst other advantages, this perspective will assist organisations to redress what Duncan (2001) refers to as ageism, or discrimination based on age. Ageism will be reduced by organisations acknowledging the strategic value of knowledge and expertise which is often well developed in older workers.

With greater value being assigned to knowledge, an understanding of the types of knowledge that exist in organisations provides a starting point. Sveiby (1997, pp. 11-12) suggests that there are three families of intangible assets relevant for knowledge organisations:

- **External structures** – includes relationships with customers and suppliers. Their value is determined by how well companies solve customer problems.
- **Internal structures** – includes patents, concepts, models, computer and administrative systems, and organisational culture and spirit.
- **Employee competence** – capacity of the organisation to act in a wide variety of situations to create both tangible and intangible assets.

How have organisational processes developed to enable them to optimise the performance of these three families of intangible assets? This chapter will examine how management approaches to thinking on knowledge have developed in terms of external structures of strategic planning, internal structures of human resource functions and employee competence.
2.2 Strategic Planning

The traditional means by which organisations plan their business priorities, and develop strategies to achieve them, have been long-term planning and later strategic planning. This section describes the changes that have occurred in the way organisations approach strategic planning to optimise their competitive advantage.

Davidson and Griffin (2003, p. 248) define traditional strategic planning as a consciously developed process that maps out the future actions of an organisation through a detailed specification of objectives, programs, budgets and operations. Schultz and Hofer (1999) suggest that traditional thinking on strategic planning revolved around entrepreneurial choice, being the creation and renewal response that redirected an organisation's resources in pursuit of opportunity, or avoidance of threat.

In summary, traditionally human resource implications were almost an after-thought to the entrepreneurial choice or strategy. However, changing environmental factors such as a shrinking workforce, whose knowledge is now valued as an intangible asset, have helped to change the role of the workforce in the strategic planning process.

2.2.1 Changing Attitudes to Strategic Planning

In order to understand current thinking on strategic planning, it is helpful to understand how both thinking and practice have changed, and the forces and influences that helped shape these changes. Limerick et al. (1998, p. 146) argue that strategic planning emerged in organisations because earlier approaches to long range planning did not provide a whole-of-organisation perspective. Focused interest in strategic planning emerged in the early 1960s when Chandler proposed a proactive approach, whereby structure was tailored to the strategy of the organisation (Chandler, 1962).

However, there were a number of problems with this approach. Limerick et al. (1998, pp. 146-149) summarise the concerns identified in the literature. They identified that there was difficulty in anticipating future trends and allocating resources to different parts of the organisation, organisations experienced a lack of...
guidance in implementing new strategies, and creativity was stifled as it was over-controlled.

Their conclusions were supported by Bonn and Christodoulou (1996) who conducted a longitudinal study comparing strategic management practices in large Australian manufacturing companies in 1982 and 1993. They concluded that organisational practices had undergone the following substantial changes:

- improved flexibility of planning systems
- decentralisation of strategic planning to divisions or business units
- movement of planning responsibilities from personnel to line managers
- change in the role of corporate planning departments
- reshaping of their organisational cultures to provide greater focus on customers and total quality management
- increased international focus
- use of acquisitions and divestitures to focus on core business.

With such significant changes occurring in strategic management practices, how did these relate to other changes occurring within organisations? Limerick et al. (1998) outline four different blueprints in the development of management thinking since the industrial revolution (first - classical, second - human, third - systems and fourth - collaborative thinking). They explored attitudes to strategic management across these blueprints, and highlighted how each new stage attempted to overcome the perceived limitations of the previous view (Table 2.1). Bonn and Christodoulou's (1996) study suggests that by 1993 Australian strategic management was showing signs of Limerick’s et al. third systems blueprint, and were yet to embrace more holistic approaches, which accommodate both incremental and transformational change. Similar conclusions are presented by Ansoff (1988) and Dunphy and Griffiths (1998).
Thinking on strategic management continued to develop. The concept of strategic thinking is espoused by Mintzberg (1994, p. 108) as being about synthesis, involving intuition and creativity to encourage informal learning that produces new perspectives and new combinations. He identifies two pitfalls of traditional strategic planning; firstly, planning reflects a calculating rather than a committing style of management, and secondly, planning reduces the power of management over strategy making.
These perceived limitations of various strategic management approaches, reflect the pressure for greater strategic significance of human resources within the organisations. More holistic visions of an organisation and its workforce are suggested by Handy (1994); who advocates his ‘doughnut principle to life’ and organisations and the importance of balance between the ‘hole’ and the ‘outside’ of the doughnut. He suggests that organisations need to define work roles and workforces holes in terms of core responsibilities that are defined by boundaries with sufficient space for growth and flexibility. Indeed Handy’s (1994) ‘doughnut’ suggests that organisations need to define their ‘doughnut’ of expectations.

In summary, traditional strategic planning approaches are seen to have significant limitations and lack relevance to the future of organisations. As a result, a new perspective is needed that requires the workforce to be seen in a different way, and results in the workforce taking on a more strategic role.

2.3 Human Resource Development

The traditional elements of strategic planning, showing strategic Human Resource (HR) Development plans as being informed by the higher-level Corporate Strategic Plan, are mapped out by Delahaye (2000). He clearly shows the traditional ‘strategy taker’ role of HR (Figure 2.1).
The strategic approach to HR in terms of overall strategies is described by Schuler and Jackson (1987, p. 213). They conclude that the key HR practices ensure highly reliable behaviour from staff who identify with the goals of the organisation, and when necessary, enable the staff to be flexible when adapting to change. Their suggested strategies can be related to two major HR functions: performance management and job analysis.
Chapter Two The Origins of Organisational Capability Thinking

How performance management and job analysis have evolved and their contribution to maximising the contribution of the workforce to the strategic direction will now be explored.

2.3.1 Performance Management

Developing behavioural norms and cultures that support the desired organisational outcomes and performance is an important agenda for Human Resource (HR). Turner and Crawford (1998, p. 171) define performance management as "the capability to proactively manage the factors that drive the organisation's performance". In terms of change effectiveness, they see performance management being about not only improving task performance, but also creating the future organisation by altering people's behaviour and perceptions. The significance of performance management for organisations is further highlighted by their findings from a detailed quantitative analysis of 243 cases of corporate change. They conclude that performance management is the only factor that contributes significantly to both an organisation's current business performance and change effectiveness.

If performance management is so critical to business performance, it is important to understand its broader role and function within the organisation. Performance management is defined by Mohrman and Mohrman (1998, p. 362) as the myriad of formal practices that organisations undertake to help their staff know what they are supposed to do, develop the ability to do it, receive feedback on their performance and be rewarded for what they do. They suggest that performance management is an ideal tool for organisations wishing to change the world view of their staff and develop new practices as they move their behaviour to new paradigms. Figure 2.2 depicts this approach.
From their model, the significance of performance management as a vehicle for organisational learning and change is clear; they identify the following characteristics provided by performance management:

- A set of practices central to the nature of the staff member’s relationship with the organisation.
- Helps organisational units to know how to relate to each other.
- Feedback central to the organisation’s performance, which may be open to the organisation’s environment, regardless of how dynamic or static that environment is.
Performance management can clearly be an important tool for developing changes in 'world views'. What then has been the experience and learning of organisations in implementing performance management processes?

2.3.2 Developments in Performance Management Practice

The nature of performance management in Australia has changed over the last 20 years. Scotts (1999) describes the 1960s and 1970s annual performance appraisal approaches, based on individual performance, with a weak link to organisational performance objectives. She describes judgmental systems with limited collaboration.

By the 1970s the limitations of such performance appraisal approaches were starting to be realized. McGregor (1972, p. 2) studied the experiences of managers in conducting performance appraisals in the early 1970s, and identified the managerial concerns of; criticising staff and changing procedures, inadequate interviewing skills and a lack of confidence in the appraisal instrument.

By the late 1960s and early 1970s, Scotts (1999, p. 45) Management by Objectives (MBO) approaches were being embraced as a means of providing a rational basis for performance planning and review. Delahaye (2000, p. 142) recalls the four tenets of MBO:

- Staff would be highly motivated by being involved in the mutual objective-setting process.
- Staff goals and the organisational goals would be unilaterally common.
- Resources needed by staff to achieve the set objectives would be unfettered and easily available.
- Staff had all the skills required to meet current and future objectives.

However, MBO approaches failed. Delahaye (2000) suggests that this was due to the unrealistic nature of its tenets. In addition, Levinson (1970) argues that MBO failed to recognise a staff member's discretionary performance beyond the boundaries of the job, external factors affecting the staff member, the limited time frame for setting objectives, managers’ difficulty in being constructively critical of their staff, and the lack of acknowledgment of team performance. Research by Armstrong (1994) adds to the explanation by suggesting there was insufficient dialogue between managers and staff, and that processes were bureaucratic and overemphasised quantitative outcomes, rather than quality and behavioural
performance. Overall, one can see that many of the criticisms of the approaches of
the 1960s were still to be addressed by the approaches of the 1980s.

A major change in focus was needed. Scotts (1999) reflects that the 1980s saw a
change from performance appraisal to performance management, the differences
being identified in Table 2.2.

**Table 2.2: Comparison of Performance Management and Performance
Appraisal Approaches (Scotts 1999, p. 46)**

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The reasons for this change in focus to a fully performance management approach
are explained by Scotts’ model. Scotts (1999, p. 47) suggests that there was
growing pressure to align individual performance to the organisation's business
performance, as was intended by MBO approaches, and as is described in Figure
2.3.
Scotts (1999, p. 46) suggests that in the late 1980s and early 1990s, organisations were becoming increasingly concerned at the short term focus of performance management processes and looked to a stronger focus on behaviours as well as results, to achieve more sustainable business results. This was supported in the mid 1990s by attempts at integration between job evaluation, performance management, organisational culture and competency-based pay. Scotts’ model reinforces a shift in organisational thinking that required HR processes and systems to become more integrated with the corporate imperative; indeed, pressure for more systems thinking in HR practices was being widely felt.

A central concern with performance management systems has always been managers' lack of confidence in rating staff. For HR to improve performance management as a tool to achieve ‘worldview’ changes, managers needed approaches for giving feedback that made them feel more comfortable. Brannick and Levine (2002, pp. 198-202) identified four formats for managers to make quantitative ratings of various aspects of workers’ job performance:
• Graphic rating scale - supervisors rate personal traits.
• Behaviourally Anchored Rating Scales (BARS) - behavioural descriptions are developed on a rating scale, and ratings are based on observable staff behaviour.
• Behavioural Observation Scales (BOS) - similar to BARS, except that supervisors rate each item rather than a category as a whole.
• Force Choice Scales - supervisors make a forced choice of two statements from a given four.

They suggest that the BARS and BOS provide the best quality of information. Support for the BARS format is provided by Nankervis, Compton and Baird (2002) who state that BARS provides a vehicle for involvement of both staff and supervisors, which can lead to greater acceptance of the performance appraisal process, and is particularly useful when the manner in which the job is performed is more important than numerical output.

Consistent with Scott’s observation is the identification by Lawler (1994) of a paradigm shift from a functional approach to human resource management (HRM), to a competency approach where more is expected of people, with organisations taking a longer term perspective of their workforce. This shift has implications for a range of HRM functions, including job analysis, selection, staff development, performance appraisal, and staff reward. Limbourg (1997) as cited by Hondeghem and Vandermeulen (2000) provides a comparison of the traditional functional approach with the competency approach, as detailed in Table 2.3:

Table 2.3: Differences between a Functional and a Competency-based Approach to HRM (Limbourg 1998) cited by Hondeghem and Vandermeulen (2000, p. 344)

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This comparison shows that there is a stronger focus on results and outputs for performance management. Hondeghem and Vandermeulen (2000, p. 345) comment that these qualities would be particularly attractive in public sector organisations, where output is difficult to measure, or where steering on output is not desirable, such as rewarding teachers for students’ results.
2.3.3 Summary of Performance Management
Performance management approaches can be a valuable tool in assisting organisations to guide their employees to a new ‘worldview’ (S. Mohrman & Lawler, 1998) and a particularly powerful vehicle for organisational learning and change, centering on the individual’s relationship with the organisation. By aligning these processes to the business outcomes, organisations can improve the relevance of the performance management processes. Both for the individual and the organisation (Scotts, 1999). Utilising a competency-management and behavioural approach to ratings enables both supervisors and staff members to gain value from the process (Brannick & Levine, 2002; Hondeghem & Vandermeulen, 2000).

Realisation of the need to develop performance management practices that link with longer-term strategic imperatives supports the need of organisations to focus on strategic capability development of their workforce. Indeed, just as performance management processes attempt to translate the defined role into the behaviours and competencies of the incumbent, job analysis has been the vehicle organisations have used to define their work roles.

A great deal of the current thinking on performance management is founded on several well-established bodies of work that have been under study for more than 75 years, such as job analysis and how individuals develop. The remainder of the chapter will explore how thinking in these two issues has developed.

2.3.4 Job Analysis
For employees, their central relationship with an organisation is the job or role they perform for that organisation. How that job is defined impacts on the performance expectations from supervisors and shapes the individual’s own expectations in the short, medium and long term.

Davidson and Griffin (2003, p. 456) suggest that once the organisation has identified its organisational needs, particular jobs can then be defined. They describe job analysis as a systematic process for collecting and recording information about individual jobs. The way the job is defined, and the organisation's expectation of the job, is known as job design.
2.3.5 Views on Job Analysis and Job Design

The fundamental role of job analysis is succinctly described by Stone (1998). He suggests that job analysis is a fundamental activity, in that it helps to guide employees to understand what is expected of them. This definition is further defined by Brannick and Levine (2002) who identified twelve purposes of job analysis for organisations:

- Job descriptions - letting people who do not do the job know what the job is.
- Job classifications - placing the job into job families, setting pay rates and selecting employees.
- Job evaluation - establishing the relative worth of jobs to the employer.
- Job design and redesign - building tasks into a collective called a job.
- Human resource requirements and specifications - determining the knowledge, skills and abilities desirable for performing the job.
- Performance appraisal - evaluating the job performance of individuals and teams for remuneration, rewards and feedback.
- Training - ensuring appropriate learning after employment takes place.
- Worker mobility - enabling career mobility and paths between jobs.
- Workforce planning - planning future jobs and ensuring organisations have qualified applicants.
- Efficiency - shortening work processes and improving efficiencies.
- Safety - identifying behaviours and working conditions to reduce accidents and injury.
- Legal and quasi-legal requirements - ensuring lawful employment practices.

Job analysis generates two documents, the job description and the job specification. The job description defines the position, its relationship to others in the immediate work area, its duties and performance indicators that are observable and measurable. Delahaye (2000, p. 143) states that the job specification lists the knowledge, skills and abilities an employee needs to perform the duties and realise the performance indicators. Delahaye (2000) draws on the open system model of von Bertalanffy (1956) to describe the three elements of job specifications: the input stage (job specification); throughput stage (duties); and an output stage (performance indicators).

The way jobs are designed, although not a central issue in this thesis, does provide a useful context to explore how work roles are defined. Job design has changed
significantly over the years, as attempts are made to increase job satisfaction of employees, optimise outcomes and meet organisational goals. Developments in thinking on job design have attempted to address the often conflicting needs of the individual and the organisation.

Approaches to job design have changed dramatically over time and reflect changing views on job satisfaction. Campion and Thayer (1987) analysed more than 120 jobs and a broad spectrum of outcomes and developed a job analysis questionnaire. They identified four different approaches to job design: mechanistic; motivational; biological; and perceptual/motor. They concluded that different approaches often have conflicting outcomes for employee satisfaction, highlighting that a trade-off may be necessary between individual and organisational outcomes (Table 2.4).

Table 2.4: Summary of Outcomes from Job-Design Approaches (Campion & Thayer 1987, p. 76)

This table is not available online. Please consult the hardcopy thesis available from the QUT Library.
Davidson and Griffin (2003) suggest that traditional tools such as job enlargement, job rotation and job enrichment have been used to maximise the fulfilment of individual and organisational needs. They suggest that more recent efforts recognise that jobs are parts of a broader system and examine team-centered approaches to job design such as semi-autonomous work teams, project teams or quality circles. Nankervis et al. (2002) explore these systems and suggest that modern job design includes consideration of industrial and human engineering, the quality of work life of employees, and the organisational objective (Figure 2.4).

**Figure 2.4: Basis for Job Design (Nankervis, Compton & Baird 2002, p. 222)**

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How then will human resource (HR) approaches to job analysis change in the future? Brannick and Levine (2002, p. 324) hypothesise about the changing nature of work and its impact on job analysis in the future. In terms of job descriptors they expect to see:

- More broad-based human attributes, including personality traits such as the Big Five Theory of Personality (openness to new experiences, conscientiousness, extroversion, agreeableness, and neuroticism).
- Competencies that are broader rather than narrower, and bring an understanding of the organisation’s context, strategy and goals.
- More attention to the quality of human relationships and assessing the interpersonal aspects of the job.
Connections that show means-end relations, with new scales to inform decisions as to whether tasks should be performed in-house.

Competency profiling is a relatively new method of describing work roles that provides a stronger emphasis on strategically significant knowledge, skills and abilities (KSA), as suggested in Table 2.3. Nankervis et al. (2002) demonstrate that competency profiling differs from job analysis in that it has a strategic emphasis and follows the following steps:

- Step one - identify the mission and key objectives for the organisation
- Step two - identify the competencies needed by the organisation if it is to achieve those key objectives
- Step three - acquire such competencies through recruitment and selection or training and development strategies
- Step four - reinforce those competencies through reward systems.

Competency profiling is part of competency based management, which is described by Bonder, Hollands and Miles (1999) as “a job analysis focusing on worker qualification of skills and behaviours necessary for job success” (p. 5).

Clearly job analysis can play a key role in defining the individual work-context of the workforce. Shippmann et al. (2000) conducted an in-depth study comparing the characteristics of job analysis with competency modelling. The study represents the findings of the US Job Analysis and Competency Modelling Task Force and includes a review of the job analysis and competency literature and structured interviews with 37 subject matter experts. Their comparison resulted in the development of a ten-dimension level of rigour scale as a guide for developing standards of practice, which are detailed in Attachment One. These criteria are significant in that they provide a means of assessing the quality of competency frameworks.

Shippmann et al. (2000) also identified seven other factors which relate to the appeal of competency models:

- They focus on core competencies that are similar across jobs, business segments etc.
- They identify and document functional knowledge or technical skills.
- They identify areas of content that are related to long-term organisational fit, rather than short-term job match.
• They include personal value and personality orientations in the mix of descriptors.
• Category labels have face validity and can be written into the language of the organisation.
• They can be used to drive training and development HR applications.

Their study concluded that competency approaches to job analysis bring an emphasis on core competencies, yet often result in homogenous models that look alike across different positions. Job analysis tends to provide greater focus on technical skills. Competency models, compared to job analysis approaches, were seen to provide greater emphasis on the long term, reflected personal values, had higher face validity, and were slightly more likely to serve as a vehicle for training and development applications.

However, job analysis approaches were more likely to inform selection, performance appraisal and other HR decision-making applications. The level of rigour and documentation in current competency models was seen as somewhat lacking.

Hondeghem and Vandermeulen (2000, p. 343) cite Van Schaardenburgh and Van Beek (1998) who assert that in public sector organisations, competency-based approaches place central importance on human resources to reach the objectives of the organisation, creating a more personalised organisational culture.

However, not all researchers favour the competencies approach. Finegold et al. (1998, p. 138) criticise the focus on individual competencies as being similar to a bottom-up job analysis approach. They criticise competencies approaches as being too complex and precise, focusing on competencies of successful individuals rather than on the more significant patterns of competencies within the organisation.

2.3.6 Summary of Job Analysis
Job analysis is the cornerstone of a number of human resource development processes that need to be informed by business agendas (Brannick & Levine, 2002). Viewing job analysis from a systems perspective highlights the importance of articulating the needs of the organisation in terms of the individual work roles and positions (A. M. Mohrman & Mohrman, 1998; Nankervis et al., 2002). The experience of organisations in developing a competence approach to job analysis...
provides useful guidance to organisations (Hondegem & Vandermeulen, 2000; Shippmann et al., 2000). The next section moves from focusing on ‘what is the job?’ to ‘what is needed to do the job?’

2.4 Individual Development

Knowledge organisations base their expertise on the knowledge, skills and abilities (KSA) of individuals in their workforce. An understanding of how the KSA of individuals can be developed to benefit the strategic vision of the organisation will be explored.

2.4.1 Defining Individual Competence and Individual Capability

Human competence is seen as having a specific set of attributes such as knowledge and skills, which workers use to accomplish their work. Attributes have been seen as context-independent. For example a specific attribute such as ‘communication skills’ is regarded as having a fixed meaning in itself, independent of context, and can thus be adopted in a range of work contexts (Sandberg, 1994). Seminal work by David McLelland (1973) questioning the use of intelligence and abilities testing to predict job performance or success in life, coined the term ‘competencies’ to overcome biases. McLelland’s work was later to lay the foundation for Boyatzis (1982).

The word ‘competencies’ entered the lexeme of vocational educators and trainers in the early 1990s with the introduction of the Australian Qualification Framework (AQF). The AQF defined several levels of training and education as follows:

- Level 1 Certificate 1
- Level 2 Certificate 2
- Level 3 Certificate 3
- Level 4 Certificate 4
- Level 5 Associate Diploma
- Level 6 Diploma
- Level 7 Bachelor Degree
- Level 8 Post Graduate Qualification

Competencies were used to define achievements up to level 6 of the AQF Framework. Delahaye (2000, p.118) suggests that a competency statement was originally intended to cover a combination of skills, knowledge, abilities and
attitudes. Further, these competencies were to be assessed in the workplace, with the learner having to demonstrate an acceptable level of attainment in each competency several times before being deemed competent.

To assist this assessment process, each level (i.e. Certificate 1 to Associate Diploma) consisted of several competencies, each divided into elements and each element divided into performance criteria. For assessment purposes then, each performance criterion was observed. A strong feature of this approach is the measurability of the competencies. The competency-management approach (Section 2.3.2) details how a focus on competencies has been adopted by organisations, with the implications for staff development detailed in Table 2.3. Educators typically focus on building student competence. Research on the pedagogy of how students learn, is helpful in defining how an individual's performance grows over time.

Seminal work by Perry undertaken in the 1950s (1975, 1981) provides a taxonomy of how students learn. His longitudinal study of liberal arts students at Harvard and Radcliffe Universities explored how students responded to intellectual and moral challenges. His work resulted in an empirical model that has been refined into a nine-point scale, which is grouped into four Phases of intellectual development, as follows:

**Dualism/Received Knowledge (points 1 and 2)**
This level is characterised by *absolutism* and a view of knowledge that sees things in black and white. The person at this level states things as matters of *fact*.

**Multiplicity/Subjective Knowledge (points 3 and 4)**
This level is characterised by a view of knowledge that sees different points of view as equally valid. The person at this level tends to view "fact" as "opinion" by uncritically accepting that there are multiple ways to see the same thing.

**Contextual Relativism/Procedural Knowledge (points 5)**
At this level knowledge is conceptualised as, and characterised by, a collection of theories which help us determine what the facts are. Thus, the person at this level regards "the truth" as something which can be found in principle, but which is only
approximated by, or approached through, our theories. A person functioning at this level will argue a case based on evidence, logic and reason.

**Commitment/Constructed Knowledge (points 6, 7, 8 and 9)**

At this level knowledge is conceptualised as, and characterised by, a personal commitment to a particular theoretical position among a range of positions. This commitment transcends the content knowledge component of knowledge in its quantitative sense, and represents a philosophical - almost political - stance. Thus, the person at this level regards "the truth" as something which cannot necessarily be found since it is not an absolute. Knowledge is appreciated through adoption of a particular philosophical view point.

Biggs and Collis (1982) identify five levels of performance, with more descriptive labels:

0 "Pre-structural" I do not really know.
1 “Uni-structural” There is just one answer.
2 "Multi-structural" There are several possible answers.
3 "Relational" I can tell you about the relationship between the possible answers.
4 "Extended Abstract" I can provide a "relational" answer which goes beyond the original question/problem.

Individual competence as a level of proficiency appears to be attained at level three of Perry's model, and at the relational level of Biggs and Collis' (1982) model. Individual capability appears to be acquired at level four of Perry's model, and at the extended abstract of Biggs and Collis' model. Both models provide very clear criteria for understanding levels of knowledge attainment.

Felder and Brent (2004) reviewed the models of intellectual development, comparing Baxter Magolda's (1992) Model of Epistemological Development with Perry (1975; 1981). Table 2.5 shows how Baxter Magolda's taxonomy builds on Perry's model and increases the validity of the taxonomy for males and females. Baxter Magolda's model supports the structure and approach of Perry, as well as providing richer descriptions.
Table 2.5: Comparison of Baxter Magolda (1992) and Perry's (1975) Performance Taxonomies

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Felder and Brent (2004, p. 274) summarise the Baxter Magolda four-level taxonomy, highlighting the patterns between males and females, which are detailed in Attachment Two. These models on intellectual development by Perry, Biggs and Collis, and Baxter Magolda establish the importance of the situational context as an individual's understanding grows from a knowledge of the facts to an ability to make judgments in new circumstances. The recent taxonomy of Baxter Magolda provides a comprehensive progression that accommodates traditional male and female approaches. Interestingly Perry's original work describes a higher level of attainment than the Baxter Magolda model, where a philosophical view is developed. In relating these models to organisations, the higher levels of knowledge are particularly relevant when seeking to understand the knowledge and level of mastery of highly skilled employees.

The link between knowledge management and competence is identified by Sveiby (1997, pp. 35-38). He sees human knowledge as tacit, action-oriented, based on rules, individual and constantly changing. There is a hierarchy of human knowledge, with ability at the bottom, then competence followed by the gaining of expertise at the top. Experts are so highly skilled and familiar with everything relevant that they review and modify their own rules and develop new rules. This thesis defines the term *individual competence* as, a level of attainment that reflects measurable mastery of the knowledge base, yet falling short of individual capability, which
signifies a deeper level of attainment enabling application in new and diverse contexts.

2.4.2 Developing Individuals

Although individual competence is identified as independent of the work context, there is growing evidence that the development of competence in the workplace with adult learners requires context-dependent strategies. Evidence of the need for personal competencies to be context-dependent can be found from:

- research on the effectiveness of Competence-Based Training (Chappell et al., 2000)
- profession-based workshops that develop descriptions of practice (Chappell et al., 2000)
- use of reflective practice (Schön, 2002).

The value placed on the work context in developing individuals is also supported by research by Sandberg (2000a). From a small phenomenographic interpretative study examining engineers, Sandberg (2000b) concluded that competence relates to the way employees perceive and view their work. He suggests that if an organisation wishes to develop greater competence in their staff they need to start with a person’s conception of his/her work, and then look at developing a greater depth to this conception as a means of developing the person’s competence. Human resource (HR) functions seek to develop the competence of their workforce. HR functions of recruitment, staffing, performance management, career planning and remuneration need to reflect an understanding of the way competence develops. Kolb (1981) work on types of learning styles (convergers, divergers, assimilators and accommodators) can be applied to different academic disciplines, suggesting a need for organisations to match learning strategies to different employee groupings and discipline basis.

An integrated approach to understanding competence is also supported by Gonczi (1999). He explores the past understanding of competency and looks at how it is currently viewed. He suggests a holistic integrated approach, where combinations of attributes are linked with tasks, such tasks being holistic and rarely isolated from other tasks in real world occupations (p.183). He concludes that competence is normative, as practitioners’ judgments evolve through self and peer critique. The
practical implication is that developing competence is an integrated concept including interactions with the culture of the workplace and occupation.

Further support for the role of the workplace in developing competence in individuals is supported by concepts of knowledge. According to Sveiby (1997), an individual’s competence consists of five mutually dependent elements, and is transferred by:

- explicit knowledge – knowing facts
- skill – knowing how, through training and practice
- experience – reflecting on past mistakes
- value judgments - perceptions of what the individual believes to be right that filter an individual’s process of knowing
- social network – the individual’s relationships with others and the culture that is transferred through tradition.

In summary, individual competence is defined as a level of attainment that reflects measurable mastery of the knowledge base, yet falling short of individual capability, which signifies a deeper level of attainment enabling application in new and diverse contexts. Individuals can develop this competence by an integrated approach to their learning that is best provided by a conducive job context, with supportive interactions within the workplace culture and occupation group.

This chapter concludes that for organisations to maximise their ability to perform and succeed, they need a more holistic approach to strategic planning that can accommodate both incremental and transformational change. A new approach needs to inform staff of their roles and responsibilities, and enable them to take a more strategic role in the organisation.

HR roles of performance management and job analysis are well placed to support an optimum contribution by the workforce. These processes also need a more holistic approach, with better alignment to business outcomes. Competency-based management and behaviourally-based competence job profiling of work roles, can help performance management and job analysis functions to relate more directly to the strategic direction. The next chapter explores how the Organisational Capability approach has responded to these needs.
Chapter Three  Towards a Model of Organisational Capability

Chapter Two outlined limitations in traditional approaches to strategic planning, performance management, job analysis and individual development. In response to these concerns, an Organisational Capability (OC) agenda has emerged to optimize the contribution of the workforce.

Much has been written about the benefits and impacts which OC can bring to a work place. The role OC can play in organisations has been variously described as:

- Increasing competitive advantage through basing strategy on an understanding of the strengths and weaknesses of the workforce (Barney, 1991; Grant, 1991).
- Establishing the human resource sector as a strategic partner. In this way OC acts a linchpin between strategy and human resource (HR) practices. Therefore HR becomes a proactive source of competitive advantage, rather than reactively focusing on performance gaps (Hondegem & Vandermeulen, 2000; Luoma, 2000; Ulrick & Lake, 1991).
- Driving organisational outcomes, such as stakeholder satisfaction and customer satisfaction (Ulrick & Lake, 1991; Yeung & Berman, 1997).
- Improving person-organisation fit from selection processes, more favourable employee attitudes, reinforcement of appropriate organisational design (Bowen, Ledfor, & Nathan, 1991).
- Communicating valued behaviours, raising competency levels and reinforcing positive values (Finegold et al., 1998).
- Increasing performance and transforming the bureaucratic culture into a more entrepreneurial one (Hondegem & Vandermeulen, 2000).
- Increasing performance through focusing internal and external learnings to generate proprietary processes and equipment in the manufacturing industry (Schröder et al., 2002).

An evaluation of 130 agencies in the British Civil Service (Horton, 2000) indicated that 75% had OC frameworks. It was found that the approach to introduce these frameworks had been fragmented, and ad hoc. The benefits and problems
identified by these agencies for managers, employees and staff, and the organisation are listed in Table 3.1:

Table 3.1: Benefits and Problems of Implementing Capability Frameworks in the British Civil Service (Horton 2000)

| This table is not available online. Please consult the hardcopy thesis available from the QUT Library |

There is very little offered in the literature on how an organisation may build its OC. This point is clearly made by Finegold et al. (1998) who suggest that “there are still no operational systems that would allow an organisation to go directly from a strategy calling for particular competencies, to organisational systems in which particular competencies could be developed” (p. 152).

Colbert (2004) proposes a framework for understanding how competitive advantage can be linked to acknowledging the systemic and innovative nature of organisations. He introduced the concepts of complexity theory to the resource-based theory of the
firm (RBTF). Colbert brings two concepts from the strategic HRM literature to the RBTF view - Delery and Doty’s (1996) modes of theorizing (universalistic, contingency and configurational) and Becker and Gerhart’s (1996) levels of abstraction in HR systems (principles, policies and practices). Colbert seeks to match the features of the RBTF against a strategic framework for HRM. The model acknowledges a continuum of interaction among system variables against the level of abstraction in HR systems (as detailed in Table 3.1).

Colbert’s model powerfully demonstrates the importance of acknowledging the interaction among system variables. As systems move further along the continuum, the more policies, practices and products reflect the context of the firm, as well as being more competitive and innovative. The ovals represent the most relevant theory of organisation for each mode – institutional, contingency, configurational and complexity. As one moves from left to right there is greater concern for the interaction among system variables, with the complexity perspective acknowledging that these interactions are part of system evolution and self organizing within the context of the organisation.
Colbert translates the implications of complexity heuristics to human resource (HR) principles, policies and processes, which are detailed in Table 3.2.
Table 3.2: Living Systems Coherence: Translating Complexity Heuristics to the HR Systems (Colbert 2004, p. 354)

Colbert’s Dimension of Theory in Strategic HRM (Figure 3.1) supports the need for alignment and systemic thinking about organisational capability, and its ability to influence HR systems and practices. Colbert’s Living Systems Coherence (Table
3.2) adds to the understanding of the benefits of OC (Section 3) and RBTF approaches by describing the nature of HR that can be achieved by successfully acknowledging the complexity of interacting systems within HR. However, the paper does not guide organisations as to how to achieve these outcomes, other than by acknowledging that the solution needs to have a deep level of abstraction in HR systems impacting on the principles of the HR function, with a configurational or complex perspective on system dynamics.

Gallon, Stillman and Coates (1995) propose a logical, six-module methodology: starting up the program; constructing the inventory of capabilities; assessing capabilities; identifying candidate core competencies; testing candidate core competencies; and evaluating core competency position. Their approach provides criteria for assessing the strength of capabilities in terms of organisational competitiveness, as seen in Table 3.3.

Table 3.3: Capabilities Assessment Scales (Gallon, Stillman & Coates 1995, p.26)

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The strength of this approach is its focus on the competitive advantage assessment of the identified capabilities. Their modules revolve around an expert working team and do not address issues of organisational engagement, or how these capabilities are embedded into the organisational systems and practices. The modules focus
exclusively at a corporate level and do not provide sufficient description to relate to the behaviour of individuals.

Gallon’s et al. methodology was applied by Trejo, Patil, Anderson and Cervantes (2002) within an engineering context to guide human resource allocation decisions. This research identified problems in assigning unbiased, quantitative value to human attributes. Their paper called for further research in developing capability assessment standards that can be used throughout the organisation to eliminate arbitrary scoring.

Ulrick and Smallwood (2004) proposed an audit approach centered on eleven capabilities from their experience, well-managed companies excel (talent, speed, shared mind-set and coherent brand identity, accountability, collaboration, learning, leadership, customer connectivity, strategic unity, innovation and efficiency). They suggest the audit can be used to assess the performance of a business unit in order to identify priority areas. The approach includes seeking information from the leadership team, multiple groups from within the organisation or external stakeholders. The approach does not justify the selection of the eleven capabilities or provide any research that supports the proposed methodology. In terms of Colbert’s (2004) model presented in Figure 3.1, the approach does not acknowledge the systemic nature of shaping HR policies or processes.

In summary, there is currently no robust methodology in the literature that redresses Finegold’s et al. (1998, p. 152) concern of a lack of operational system to support organisations to go from a strategy to develop particular competencies. Previous attempts lack:

- conceptual rigour (Gallon et al., 1995; Trejo et al., 2002; Ulrick & Smallwood, 2004)
- acknowledgement of the systemic nature of organisations (Colbert, 2004; Gallon et al., 1995; Ulrick & Smallwood, 2004)
- guidance on embedding capabilities within HR systems and processes (Colbert, 2004; Gallon et al., 1995; Trejo et al., 2002; Ulrick & Smallwood, 2004).

In an attempt to address this gap in the literature, this chapter proposes a Model of Organisational Capability. A model can be a powerful vehicle for developing greater
understanding of the critical domains and enablers that constitute OC, and can also provide a guide for organisations seeking to build their OC.

3.1 Definition of Organisational Capability

According to Leonard-Barton (1992) organisational capability (OC) “is the knowledge set that distinguishes and provides competitive advantage” (pp. 113-4). This suggests that pursuit of greater organisational knowledge is a central motivator for organisations seeking to develop their OC.

Nonaka (2002) defines knowledge as ‘justified true belief’. Delahaye (forthcoming) suggests a four-tier hierarchy of knowledge that reinforces the significance of the individual in the building of knowledge in organisations. His hierarchy builds as follows:

- Data with no meaning on its own.
- Information having simple messages, for example within the manual of procedures of an organisation.
- Inert knowledge giving considered opinion, for example within textbooks.
- Embodied knowledge, held within the minds of individuals that can be accessed at various times depending on conscious and sub-conscious cues.

One of the complexities of this topic is confusion of language caused by differing focus of authors’ domains of interest. The words competence and capability have gained common use, and at times are used interchangeably. The Dictionary (The Macquarie Dictionary, 1987) defines competent as “properly qualified, capable; fitting, suitable or sufficient for the purpose; adequate” (p. 382). Indeed the narrowness of difference is seen by their definition of capable (The Macquarie Dictionary, 1987) “having much intelligence or ability; competent; efficient; having the ability; predisposed to; inclined to” (p.288). These definitions suggest that capability is marginally greater than competence.

A focus on capability as a discrete concept has its roots in an educational context, built on the desire for a new concept in education for developing people who ‘can do’ as well as who ‘know about’” (Stephenson, 1992, p. xiii). Stephenson defines capability as “an integration of confidence in one’s knowledge, skills, self-esteem and values…[and] develops our skills in complex and changing circumstances [more] than on our mere possession of those skills” (pp. 1-2). In Stephenson’s
definition he sees competencies as a more specific and measurable concept than capabilities.

In Chapter Two (Section 2.4.2) a distinction was made between individual competence and individual capability, based on a person's ability to apply his/her knowledge, skills and abilities (KSA) innovatively in new or changing contexts. This differentiation can also be applied to organisations thus providing the definition of OC for this thesis as, the embodied knowledge set that supports competitive advantage through innovation and flexibility gained by building alignment between the strategic intent, the organisational structure and the expertise of the workforce.

3.2 Three Domains of Organisational Capability

The Model of Organisational Capability (MOC) suggested in this thesis consists of three domains or spheres of influence – strategic direction, organisational structure and individual knowledge. Similar domains have also been identified as necessary for building knowledge and organisational performance (Boyatzis, 1982; Leonard-Barton, 1992; Prahalad, 1998).

Organisations operate at a multitude of levels, with knowledge and competence existing at the individual, group and organisational levels. Leonard-Barton (1992, p. 112), based on her review of the literature, includes the following dimensions as interdependent systems:

- **Knowledge and skills possessed by the employees.** This dimension is characterised by both firm-specific knowledge and skills and general scientific knowledge.
- **Knowledge and skills embedded in technical systems.** This dimension expresses an accumulation over years of employees' knowledge and skills codified and structured in technological systems.
- **Knowledge created and controlled by the formal and informal managerial systems.** For instance, knowledge can be created through apprenticeship and a network of partners and it can be controlled through incentive systems and reporting structures.
- **The values and norms assigned to the various knowledge and skills of an organisation and its development.** For instance, do the values and norms prefer knowledge creation by formal degrees or by experience?
Therefore, to develop a framework that reflects our understanding of competence and capability, we need to look at the relationships between the individual, work roles and the organisation as a whole. Boyatzis’ (1982) Constructions of Performance Management, helps to clarify into the relationship between worker, work and the contextual relationship of competencies.

Figure 3.2: A Model of Effective Job Performance (Boyatzis 1982, p. 13)

Boyatzis’ model (Figure 3.2) highlights the need for congruence and balance between the requirements of the job, the work environment and the competencies of the individual, to optimise action and behaviours. He also explores the levels of competency that underpin a person’s action or behaviour. He examines the role of a person’s traits, motives, self-image and skills, and how they interact with the job demands and organisational environment (Boyatzis, 1982, pp. 35-40). Boyatzis’ identification of the role of traits, motives, self image and skill builds on Allee’s (1977) earlier conceptualisation of knowledge by developing a more well defined appreciation of the aspects of the individual that contribute to the development of competence.

Focusing organisational capability (OC) at a number of levels is also supported by Prahalad (1998) who examines the nature of competencies of the future and the
implications for managers. He supports the importance of organisational learning
and suggests that it takes place at three levels: individual, family groups and the
firm as a whole. He suggests a competence progression as presented in Table 3.4.

Table 3.4: Steps to Manage the Competency Progression (Prahalad 1998, p. 23)

Luoma (2000, p. 779) developed an integrated framework that shows the link
between internal resources of the organisation, elements in the external
environment, an organisational capability approach to human resource development
(HR), and business strategy (Figure 3.3). This model places the role of resources in
a much more strategic position than previously, and also acknowledges the
feedback loop from HR into future strategy.
In summary, by acknowledging the systemic relationship between the domains, the MOC is consistent with:

- Colbert’s (2004, p. 352) vision of complex views of system dynamics, that support a complexity perspective
- Boyatzis’ (1982) model of effective performance
- Leonard-Barton’s (1992) levels of knowledge in organisations
- Prahalad’s (1998) steps to manage competency progression
- Luoma’s (2000) integrated Framework for OC.

The alignment of the three domains of the MOC therefore supports HR systems to achieve Colbert’s (2004) deepest level of principles, as well as shaping policies, practices and products.

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Therefore, the three broad spheres of organisation, team and individual provide a framework for exploring the nature of the relationships between the forces affecting OC. This thesis defines OC as the embodied knowledge set that supports competitive advantage through innovation and flexibility gained by building alignment between the strategic intent, the organisational structure and the expertise of the workforce.

3.2.1 Strategic Intent Domain
The Strategic Intent Domain is the first domain of the Model of Organisational Capability (MOC). This domain explores the strategic direction of the organisation in terms of competitive advantage.

The nature of a firm’s relationship with its workforce is an important building block in our thinking about organisations. Seminal work by Coase (1937) explored the nature of the relationship between the entrepreneur and workers as a source of services. He established that the ‘firm’ is established by an entrepreneur who wishes to change the contractual relationship with the worker away from one based on market forces. Coase (1937) suggested that in order for entrepreneurs to reduce transaction costs and to establish a longer term supply of services, they seek a more formal relationship, where they are able to direct the worker.

What is interesting about Coase’s paper is the implicit assumption that under this new relationship employees are forgoing a degree of control over their own behaviour. Under this new relationship the employer is removing the demand and supply forces operating in the market from the contractual relationship with the employee. Clearly the nature of the employer/employee relationship has changed dramatically since 1937. However, the assumption that the employer can direct the behaviour of the employee, suggests little concern by the entrepreneur over the substantial loss of power by the employee.

This directive attitude by employers has permeated throughout management practice. As noted by Luoma (2000, p. 775) traditional ways of looking at organisations give tangible resources a priority over intangibles, such as their human resources. He suggests that an organisational capability (OC) agenda turns
this around and sees the factors that support the intangible resources being given emphasis as the primary object of strategy.

Traditional approaches to determining an organisation's sources of sustained competitive advantage have focused either on identifying an organisation's strengths, weaknesses, opportunities and threats, or more recently, the environmental conditions that favour high levels of firm performance (Hofer & Schendel, 1978; Porter, 1985).

Specific changes have also occurred in thinking about organisational competitive advantage. Barney (1991, p. 101; Barney, 2002) is acknowledged as a significant contributor to the development of the concept of resource-based theory of the firm (RBTF). He identifies two basic assumptions of earlier approaches that are not valid. He suggests that they incorrectly assume that:

- firms within an industry have identical strategically relevant resources in their control
- all organisational resources can be bought and sold.

Barney points out that these assumptions eliminate firm resource heterogeneity and immobility as possible sources of competitive advantage. Barney (1991) develops a framework for examining organisational resources, and concludes that valuable resources which are rare, difficult to imitate and non-substitutable, can yield sustained competitive advantage.

Grant (1991, p. 116) supports Barney's view and asserts that the resources and capabilities of the firm are the foundation for its long-term strategy as they provide the basic direction for the firm's strategy and are the primary source of profit for the organisation. Studies on the nature of profitability support Barney's view. Grant cites studies by Schmalensee (1988) and Buzzell and Gale (1987) that show that differences in profitability within industries are much more important than differences between industries. Grant further suggests that this supports focusing on sources of competitive advantage rather than the external environment. Grant concludes that "the firm's most important resources and capabilities are those which are durable, difficult to identify and understand, imperfectly transferable, not easily replicated, and in which the firm possesses clear ownership and control" (1991, p. 129). Therefore, Grant's conclusions provide real insight into how Core OC should be defined to maximize the organisation's long-term competitive advantage.

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The link between the RBTF and capabilities is clearly identified by Ulrick (1997): "Capabilities are the DNA of competitiveness. They are the things an organisation always does better than its competitors do" (p. 10).

Defining work by Prahalad and Hamel (1990) in the field of strategic capabilities similarly concludes, from analysis of case studies, that firms which successfully identify and cultivate their core competencies can use them to obtain a sustained competitive advantage over their rivals and that the competitive value of core competencies increases through their use and continuing development. They identify that competence development is about learning that takes place at the individual, family group and whole-of-organisational level, with tacit and explicit knowledge playing a vital role. They conclude that a central characteristic of large innovative firms is their ability to identify competencies that dictate the direction that firms pursue.

Empirical studies in Britain are also supportive; Pavitt (1991, p.48) explores the properties of innovative activities in large firms, and Teece et al. (1998) suggest a framework of corporate strategy. Teece et al.’s (1998) use of dynamic capability is consistent with strategic capability; the use of the word dynamic refers to “the capacity to renew competences so as to achieve congruence with the changing business environment” (p. 203). They conclude that resource-based and dynamic capabilities approaches see competition coming from high-performing routines operating within the corporations shaped by processes and paths. They suggest that the capability approach leads managers to create distinctive and difficult-to-imitate advantages, and to avoid games with customers and competitors. They also suggest that the capability approach creates stronger protection from imitation by competitors, and clearer guidance on diversification and resource development strategies.

Authors such as Stalk and Evans-Clark (1992) advocate capabilities-based competition, where a capability is a set of business processes strategically understood, and suggest the following basic principles of capabilities-based competition:
• Business processes are the building blocks of competition.
• Competitive success requires key processes to consistently provide superior value to the customer.
• Capabilities are created by providing supporting infrastructure that links and transcends traditional strategic business units and functions.
• CEOs are the champions of a capabilities-based competition.

The focus on human resources and intangible assets is supported by research on large innovative firms. This research showed that successful organisations were able to identify their competencies, and then use this understanding to determine a viable strategy (Pavitt, 1991; Prahalad & Hamel, 1990; Teece et al., 1998).

The change in thinking about the strategy development approach is clearly stated by Hayes (1985) “Do not develop plans and then seek capabilities; instead, build capabilities and then encourage the development of plans for exploiting them” (p. 118). This view is supported by Grant (1991) who progresses Barney's (1991) proposition by exploring the practical frameworks that link capability approaches to strategic planning processes, and suggests the approach illustrated in Figure 3.4.
Examining the organisation’s human competence and capability is not new, is referred to in the strategic planning literature as resource deployment (Hofer & Schendel, 1978 p. 36), and has long been acknowledged as a potential source of competitive advantage. However, the RBTF re-aligns our assumptions on the role of human resources and repositions our understanding of OC to inform strategy development.

Given the changing labour market, how appropriate are the traditional assumptions of strategic planning, where we assume that ‘the right people’ can be acquired? Hayes (1985) describes the traditional strategic planning ends-way-means process as selecting an end, then identifying ways and means to attain that end. Ulrick and

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Lake (1991) suggest that organisations need to establish internal structures and processes that enable employees to become critical resources for sustainable competitiveness, with OC being an important source of competitive advantage. These sentiments are supported by the presented MOC.

The OC approach provides greater flexibility to corporations, particularly in environments of continuous change. The implications for knowledge organisations are striking. Building strategies on staff capability has great relevance when that knowledge is the basis of your business. What has been the experience of organisations that have adopted the RBTF and taken a strategic capability approach to their human resources?

The traditional approaches to strategic planning assume that resources will be readily sourced in the market, whereas the RBTF places an unequivocal value on the organisation’s human capital, and sees the strengths of the workforce as the starting point for strategy development. RBTF acknowledges the strategic value of the intangible resources of the organisation, and bases strategy development on the characteristics and qualities of these resources (Hayes, 1985; Luoma, 2000; Prahalad & Hamel, 1990; Teece et al., 1998; Ulrick & Lake, 1991).

Organisations express their vision of themselves in many ways, such as their public face, their actions and performance. The difficulty for organisations is how to define the OC they require in meaningful terms. It is often difficult to differentiate between the rhetoric found in the majority of official organisational publications written by the corporate ‘spin doctors’ and the reality of the desired OC required to perform the business.

This dilemma is well described by Argyris and Schön (1996, p. 13) as the difference between theory-of-action and theory-in-use. They describe organisations as directly representing knowledge, as they embody strategies for performing complex tasks that could be performed in a variety of ways. They identify ‘theories-of-action’ as the systems of beliefs that underlie actions, and include strategies of action and the values and assumptions that relate to that strategy. This is compared with the ‘theory-in-use’ that is used to explain or justify a given action, either tacitly or explicitly. They identify double-loop learning as learning that results in changes in the values of the theory-in-use, as well as in its strategies and assumptions (p. 21).
The challenge in defining an organisation’s capability is ensuring that they are the theories-of-action rather than the theories-in-use.

In the majority of public corporate statements, such as annual reports and vision statements, organisations express their ‘theory-in-use’. Typically, documents that reflect an organisation’s desired capability are found in business planning documents that guide business unit outcomes and performance. These documents however typically do not define the desired employee capabilities required to realise outcomes and fulfil defined strategies.

Clearly, organisations need to identify the nature of knowledge that is important for the success of their organisation in real terms that underpin the strategies they pursue. This provides a workable definition of their desired OC, and enables the organisation to measure and monitor that OC, and develop that capability over time.

The RBTF offers the following desired characteristics for the Strategic Intent Domain:

- **Explicit direction**
  Organisations need to make explicit statements about organisational direction and focus (Argyris & Schon, 1996; Handy, 1994; Schön, 2002; Yeung & Berman, 1997).

- **Qualities of workforce**
  This requires an understanding of a workforce’s qualities, rather than merely budgetary focused profiling information (Grant, 1991; Pavitt, 1991; Teece et al., 1998).

- **Inform organisational processes**
  This includes management processes such as organisational structures and hierarchies, technical systems and the values and norms of the organisation (Leonard-Barton, 1992).

- **Inform future direction**
  Clearly defining probable future direction enables focused information sharing across boundaries, and triggers the development of future expertise that individuals may need to develop to give the organisation optimum flexibility and direction for innovation (Hayes, 1985).
In summary, the Strategic Intent Domain should clearly reflect the future direction of the organisation, and define the capabilities of the workforce and organisational processes needed to realise that direction.

### 3.2.2 Organisational Structures Domain

The second domain reflects the Organisational Structures. This domain represents the organisation’s traditional human resource (HR) strategies and processes.

Yeung and Berman (1997) illustrate the influence of the resource-based theory of the firm (RBTF) and the strategic linkages of organisational capability (OC). They argue that OCs links business strategy with HR practices, with the impact being realised in performance indicators, as shown in Figure 3.5.

**Figure 3.5: Integrated Framework Demonstrating the Role of Organisational Capabilities (Yeung & Berman 1997, p. 328)**

Yeung and Berman's model reinforces the link between capabilities and strategies. In the first chain HR practices are seen as drivers building organisational capability (OC), enhancing employee satisfaction and shaping customer satisfaction (Ulrick & Lake, 1991). In the second chain OC is seen as a key driver that implements business strategy, building customer satisfaction and eventually stakeholder satisfaction. In many ways this model represents the role OC can play in linking HR with the business strategy. One could argue that in time the second chain would...
inform the HR and OC as they potentially provide feedback on the relevance of both (suggested red arrows and feedback loop in Figure 3.5).

With OC approaches changing the strategic position of HR, what has been the experience of organisations that have adopted an OC approach? Luoma (2000) reviewed three corporations in Finland and explored the link between organisational strategies. He identified three approaches to HR (Table 3.5).

- Need driven - HR is a means to address skill deficiencies
- Opportunity driven – HR addresses deficiencies inside the organisation
- Capability driven – HR is a strategic partner.

Table 3.5: Three Approaches to Human Resource Development (Luoma 2000, p. 783)

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<td>Need driven</td>
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</tr>
<tr>
<td>Opportunity driven</td>
<td>HR addresses deficiencies inside the organisation</td>
</tr>
<tr>
<td>Capability driven</td>
<td>HR is a strategic partner.</td>
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The imperative for HR to reposition itself is also stressed by Mohrman and Lawler (1998) who suggest that as part of the knowledge economy, management of competencies has survival implications for organisations, and HR groups seeking to be a strategic business partner. They identify that building OC is a key to HR that will enable staff to be a competitive edge for the organisation.

The literature supports the role of HR strategies and processes in supporting the building of OC. As previously suggested in Chapter Two (Section 2.3.1, Figure 2.2), performance management approaches can be a valuable tool in assisting organisations to guide their employees to a new ‘worldview’ (S. Mohrman & Lawler, 1998). Performance management is a particularly powerful vehicle for organisational learning and change, centering on the individual’s relationship with
the organisation. By aligning these processes to the desired OC, organisations can improve the relevance of the performance management process, both for the individual and the organisation (Scotts, 1999). By utilizing behavioural approaches to ratings, both supervisors and staff members can gain value from the process (Brannick & Levine, 2002).

Job analysis is the central building block of a number of HR processes that need to be informed by OC agendas (Brannick & Levine, 2002), as described in Section 2.3.5. Viewing job analysis from a systems perspective highlights the importance of articulating the needs of the organisation in terms of individual work roles and positions (A. M. Mohrman & Mohrman, 1998; Nankervis et al., 2002). The experience of organisations in developing a competency approach to job analysis provides useful guidance to organisations in defining their desired OC (Shippmann et al., 2000).

Finegold et al. (1998, p. 147) highlight the important measurement implications of capability approaches. They flag that the implication of an OC agenda is a move towards organisational performance measures of capability attainment, these measures would assess Core OC that are critical to the organisation’s effectiveness. They suggest that measures would include the skills and knowledge of all staff keyed to the core OC.

In summary, realisation of the need to develop performance management practices that link with longer-term strategic imperatives supports the need of organisations to focus on the development of the strategic capability of their workforce, moving beyond the immediate needs of individual roles. Just as performance management processes attempt to translate the defined role into the behaviours and competencies of the incumbent, job analysis has been the vehicle which organisations have used to define their work roles.

The MOC therefore identifies the following characteristics of the Organisational Structures Domain:

- **Meaningful job roles**

  Job roles need to be sufficiently aligned with the strategic intent to anticipate changes. This allows both the organisation and individuals to respond to changes in how the OC is defined, by defining behavioural competencies that
inform recruitment and selection, and training and development strategies
(Brannick & Levine, 2002; Handy, 1994; Nankervis et al., 2002; Shippmann et al., 2000)

- **Guided performance management**
  Explicitly described jobs and organisational processes support the strategic intent, and can be used as a vehicle for organisational change and learning (Delahaye, 2000; A. M. Mohrman & Mohrman, 1998; Scotts, 1999; Turner & Crawford, 1998).

### 3.2.3 Individual Knowledge Domain

The third domain of the Model of Organisational Capability (MOC) is the Individual Knowledge Domain. Each individual in the organisation has a unique KSA that he/she brings to the organisation. Sveiby (1997, p. 53) sees knowledge organisations as consisting largely of skilled professionals who use creativity to solve complex problems for customers. There is a clear opportunity for an organisation's OC requirements to provide a focus for the development of individual capabilities.

As previously discussed in Section 3.3.1, Stephenson’s (1992) focus on capability relating to complex and changing circumstances. This suggests than providing an individual with an ability to apply KSA in known or unknown contexts or problems, allows the individual to demonstrate personal capability rather than competence. From the organisational perspective of competitive advantage, an individual's competencies only contribute to organisational capability (OC) when they are supported by the work culture; and utilised in the current job or have the potential to be included in future job roles. The link between individual capability and organisational performance is supported by Schroeder et al. (2002) who found across manufacturing organisations in five countries that internal and external learning increased organisational capability, that resulted in increased performance.

In summary, individuals possess a range of KSA of which their work role can only reinforce a fraction. These KSA are seen as being context-free, with a specific attribute having a fixed meaning in itself, and thus being applicable in a range of work activities. For example, communication skills can relate to a variety of work contexts. The Individual Knowledge Domain therefore needs to identify those
capabilities that are of strategic relevance to the organisation, and build organisational roles and knowledge networks to develop them.

The characteristics of the Individual Knowledge Domain are as follows:

- **Clearly defined Core KSA**
  This enables the organisation to develop the optimum workforce for the future by creating greater stability and career opportunities (Sandberg, 1994; Sveiby, 1997).

- **Current and future knowledge networks**
  Knowledge networks need to support both current job contexts and future potential innovations. Attention to supporting both provides the organisation with added flexibility in responding to changes in the defined Core OC. These are seen as including both tacit and explicit knowledge networks (Leonard-Barton, 1992).

### 3.3 Model of Organisational Capability

The Model of Organisational Capability is based on the three Domains as previously outlined in Section 3.2. The intersection of the Domains represents the Enablers that build the organisational capability (OC). The focus of the model is the organisation's Core OC, which is a subset of the broader OC, as shown in Figure 3.6.
Figure 3.6: Model of Organisational Capability

[Diagram showing the model of organisational capability with three domains: Individual Knowledge Domain, Strategic Intent Domain, and Organisational Structures Domain.]

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3.3.1 Organisational Capability

Besides the three Domains, the Model of Organisational Capability (MOC) identifies the intersections of these Domains as the enabling systems and processes that build the synergy and alignment between them.

The Enablers of organisational capability (OC) are identified as the intersections between the Domains:

- **Organisational Systems Enablers - Strategic Intent and Organisational Structures Domains**

  These are the organisational systems that embed the strategic intent into the organisational structures (Leonard-Barton, 1992; Sveiby, 1997):
  - management processes such as business planning and workforce planning
  - technical processes that support the business
  - organisational values and norms
  - inert knowledge systems, such as career path planning.

  For example, in university faculties, the workforce planning processes could be seen as an Organisational System Enabler. This enabler includes information about the profile and expertise of the workforce and links the strategic direction of the university with the organisational structures.

- **Knowledge Networks Enablers - Strategic and Individual Knowledge Domains**

  The Knowledge Networks Enablers reflect the knowledge, skills and abilities (KSA) an individual possesses that can directly contribute to the organisation’s strategic purpose. These are the KSA a person has that align most closely to the strategic intent of the organisation, and the size of this overlap is a strong indicator of the suitability or fit of the workforce. It is reflected by processes that encourage multi-disciplinary exchanges of tacit and explicit information sharing (Barney, 1991; Grant, 1991; Sveiby, 1997).

  For example, universities collect information on the research interests and grants profile of academic staff. This information links the strategic focus of the university with the knowledge of individual academics.
• **Job Context Enablers - Organisational Structures and Individual Knowledge Domains**

The Job Context Enablers represent the elements of an individual's job that are reinforced by the organisation's structure. Individuals naturally bring a wide range of KSA to the role they perform, but only a sub-set of these will relate directly to the strategic context at any given time. These Enablers represent systems and processes that build a clear definition of the roles of individuals and support their development of expertise.

Learning and development programs are typically designed to optimize this overlap by building the expertise of the individual. The more closely job roles are aligned to the strategic direction, the greater the organisation's potential to utilise the job context to develop the expertise of the individual. Extensive research shows that this context increases the success of learning and development programs (Chappell et al., 2000; Gonczi, 1999; Sandberg, 2000a, 2000b; Schön, 2002).

Behaviourally-based recruitment and selection processes are important vehicles for developing an understanding of the required expertise, ensuring the most meritorious candidate and addressing development needs (Brannick & Levine, 2002).

For example, universities specify the roles and competencies required of senior academics. This defines for the academics which of their KSA most directly relate to their job role, and as such, are reflected in the organisational structure.

These Enablers help the organisation to build its OC. Bringing the three Domains together provides the complete MOC. OC is built in organisations by aligning the organisational systems and processes represented in the model, to maximize the overlap of the Enablers. Clearly, the greater the overlap between these three Domains, the stronger the match between the expertise of the individual and the structures that support and reinforce the strategic direction.
3.3.2 Core Organisational Capability

Leonard-Barton (1992) clearly defines the relationship between organisational capability (OC) and knowledge. From a knowledge-based view of organisations, Leonard-Barton defines core capabilities as “the knowledge set that distinguishes and provides a competitive advantage” (pp. 113-114).

This definition links a number of important considerations when looking at capability, remembering that capability is adding the ability to apply our competencies in new and innovative contexts. Leonard-Barton (1992) links knowledge sets with competitive advantage and by using the word capability, brings in the concept of innovation. For organisations to have all these features together, these qualities need to be present in individual staff as well as reinforced in their current or potential future job demands and consistent with the organisation’s strategic intent. This therefore supports the placement of Core OC in the center of the MOC (Figure 3.6).

Further support for the Core OC being placed in the center of the MOC is provided by examining Leonard-Barton’s identifies four dimensions to the knowledge set. Its content is embodied in (1) employee knowledge and skills and embedded in (2) technical systems. The processes of knowledge creation and control are guided by (3) managerial systems. The fourth dimension is (4) the values and norms associated with the various types of embodied and embedded knowledge and with the processes of knowledge creation and control. She suggests that dimension (4) is crucial to managing both new product/process development and core capability. She also concludes that a core capability is an interrelated, interdependent knowledge system. This description supports the role of each of the MOC’s three domains in building core OC.

In the MOC the organisation’s Core OC is represented at the union of the three Domains, and supports the alignment of supporting processes and systems. The intersection of the three Domains is the Core OC, which is supported by the development of OC through the three Enablers. Although the Core OC is the intersection of all three Domains, the need for innovation and flexibility requires the supporting enabler’s systems and processes to be more broadly based. By having broadly based supporting systems and processes, the organisation can fine-tune
their view on Core OC with minimal change in the focus of the organisation’s systems and processes.

The Core OC is a relatively dynamic and changing focus. The advantage of a capability agenda is indeed the added flexibility of being able to respond to these changes by incremental movements in the enabling systems and processes that support the Model of Organisational Capability (MOC). This reduces the need for more radical changes that might otherwise be required if more quantum changes in knowledge were seen as required by the organisation. A question used by Yeung and Berman (1997) to formulate OC provides a clear focus: “In order to implement the business strategy, what are the critical organisational capabilities we need to develop?” (p. 328).

Applying Prahalad and Hamel's (1990) criteria for organisational core competence which relates directly to the Core OC discussed in this thesis, helps to further clarify the difference between broader OC and Core OC.

Their criteria are the Core OC should:
- provide potential access to a wide variety of markets
- make a significant contribution to the customer's perceived benefit of the product
- be difficult for competitors to imitate
- be broadly based across the organisation
- more visible to customers than to competitors (pp. 83-84).

To further clarify the difference between OC and Core OC, the university examples of Enablers can show how systems and processes can differentiate between those aspects that are part of broader OC, and those that more directly help to build the Core OC of the organisation. The following example focuses on a Core OC of securing funding for university research programs:
- Organisational Systems Enablers – Workforce planning information is important to universities, which can spend around 80% of their budget on staff-related costs. The establishment listing showing staff numbers by level is part of this information and helps faculties to prepare budgets, but does not support the Core OC. However, the staff’s experience and performance in securing research funding and establishing strategic alliances with industry, support the Core OC.
• Knowledge Networks Enablers – The university database of staff members’ research interests can help to support information-sharing on issues of common interest to academics, but does not support the Core OC. However, records of current research programs will support sharing of knowledge between disciplines that build Core OC.

• Job Context Enablers – All organisations need to define the roles and expectations of individuals. These roles are then reinforced by organisational structures and defined in job descriptions and role statements. Most academics need to undertake teaching and learning, and conduct research. However, the Core OC relates to an academic's ability to build alliances to secure ongoing funding.

3.3.3 Linking the MOC with Previous Models and Research
A link can be seen with Boyatzis’ (1982) model of Effective Job Performance (Figure 3.2) and organisational capability (OC) in terms of how desired specific action or behaviours are defined. One can see that the organisation’s strategic intent provides an interpretation of the implications of the organisational environment. In this sense, the Core OC provides strategic relevance and focus for the development of individual competencies and the specification of job demands. The job’s demands can be seen as providing the individual's context for those capabilities and a means of interpreting the OC for the individual. The individual’s competence can then be viewed in terms of his/her current work context and potential future work contexts.

Lado and Wilston (1994) propose four ways in which organisations can either facilitate or inhibit the development of organisational competencies that are consistent with the Model of Organisational Capability (MOC):

• Managerial competencies: articulating a strategic vision and enacting the environment. [Defined by the Strategic Intent Domain]

• Input-based competencies: exploiting imperfections in the labour market, creating an internal labour market and investing in firm-specific human capital. [Supported by the Job Context Enablers and the definition of the Organisational Structures Domain]

• Transformational competencies: harnessing innovation and entrepreneurship, fostering organisational learning, and promoting organisational culture. [Supported by all Enablers]
3.3.4 Summary

Individual and organisational competence develops from the explicit knowledge, skills, experience and ability to make value judgments and develop social networks (Stone, 1998; Sveiby, 1997). The maturity of competence is demonstrated by being able to apply knowledge, skills and abilities in innovative ways in new contexts (Bridge, 1997). Although competence is context-independent for the individual (Biggs & Collis, 1982; Perry, 1975), for organisations to develop that competence into capability they need to provide an appropriate job context (Chappell et al., 2000; Schön, 2002). Contextualising the capabilities requires congruence between the requirements of the job, the demands on the individual and the strategic intent (Boyatzis, 1982; Gonczi, 1999; Sandberg, 1994, 2000a, 2000b), as defined by the MOC (Figure 3.6).

Organisational capability (OC) provides organisations with a means of defining their holistic expectations of the workforce, thus enabling employees to position themselves within those boundaries (Dunphy & Griffiths, 1998; Handy, 1994). The Model of Organisational Capability (MOC) also supports an organisation moving towards a complexity perspective (Colbert, 2004) where human resource principles, policies, practices and procedures may be aligned, as detailed in Figure 3.1. Besides the advantages to the employees, OC thinking provides the organisation with an opportunity for increased competitive advantage (Luoma, 2000; Schroder et al., 2002; Ulrick, 1997).

3.4 Benefits to Organisations

An organisation with an effective Model of Organisational Capability (MOC) gives individuals a clear message of what knowledge, skills and abilities (KSA) the organisation values now and in the future. Section 3.0 outlined the benefits and impacts of an organisational capability (OC) agenda previously identified in the literature. By strengthening the MOC’s Enablers to support the Core OC the following additional benefits can be achieved:

- **Stronger competitive advantage and reduced risks - greater flexibility and innovation to respond to changing external influences.** The knowledge
networks, job contexts and organisational systems can be aligned to develop needed Core OC, based on a greater depth of organisational knowledge.

- **Greater stability** - *organisations are better placed to make measured changes when their Domains are well aligned.* When Enablers are overtly aligned, the adjustments that may be necessary, due to changes in Core OC, can be more readily made. It is far easier to modify the alignment of existing processes and systems than to create new ones.

- **Individuals are more informed and empowered.** The workforce can take responsibility for their own careers, as expectations are explicit.

In order for organisations to achieve the benefits of an OC agenda they need to develop an understanding of their own MOC. The following three research questions focus on how an organisation can achieve a change in mind-set, to enable it to build its OC.

<table>
<thead>
<tr>
<th>Research Question 1</th>
<th>How do organisations define their Strategic Intent Domain?</th>
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</thead>
<tbody>
<tr>
<td>Research Question 2</td>
<td>How do organisations define their Core OC?</td>
</tr>
<tr>
<td>Research Question 3</td>
<td>How do organisations embed their OC into their Job Context, Organisational Systems and Knowledge Networks Enablers?</td>
</tr>
</tbody>
</table>

The next chapter will outline a research methodology to address these questions.
Chapter Four Research Methodology

This chapter develops the methodology used to explore the three research questions identified in Chapter Three.

<table>
<thead>
<tr>
<th>Research Question 1</th>
<th>How do organisations define their Strategic Intent Domain?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research Question 2</td>
<td>How do organisations define their core organisational capability (OC)?</td>
</tr>
<tr>
<td>Research Question 3</td>
<td>How do organisations embed their OC into their Job Context, Organisational Systems and Knowledge Networks Enablers?</td>
</tr>
</tbody>
</table>

To place the methodology in perspective, the context within which the research was undertaken will first be explored, followed by a detailed discussion of the research methodology.

4.1 The Nature of Professional Doctorate Research

As a Doctorate of Education (EdD) thesis, the purpose of the research experience is quite specific. McWilliam (2002) in defining Professional Doctorates refers to the Australian Council of Deans definition of:

> a program of research and advanced study, which enables the candidate to make a significant contribution to knowledge and practice in their professional context [and in which]… the candidate may also contribute more generally to scholarship within a discipline or field of study (p.5).

A key element of the Council of Deans’ definition is the link between knowledge and practice. Like the majority of EdD students (Evans, 2002, pp. 156-7), at the time of enrolment the researcher was engaged in full time employment, with responsibilities that provided the opportunity to undertake significant research to address a problem identified by the organisation. Having already acquired a Master’s Degree with a substantial research component, the benefit of grounding the research in the literature was a natural starting point.

The challenges for dual role worker/researchers in achieving the traditional researcher independence have been acknowledged in the literature (Clandinin & Connelly, 1995; Fenstermacher, 1994). Brennan (1998, pp. 80-83) points out that
traditional research methodologies focus on ‘outsider’ research, and need to respond to the changing needs of EdD students who are better placed to undertake action research and self study. The difference between the challenges and dilemmas facing ‘insider’ and ‘outsider’ researchers is eloquently expressed by Anderson, Herr and Hihlen (1994):

Academics (outsiders) want to understand what it is like to be an insider without ‘going native’ and losing the outsider’s perspective. Practitioners (insiders) already know what it is like to be an insider, but because they’re ‘native’ to the setting, they must work to see the taken-for-granted aspects of their practice from an outsider’s perspective. (p. 27)

Indeed the dual roles of researcher and practitioner certainly qualified the Researcher as an ‘insider’. However, the benefit of being able to reflect on the process of the organisation, will enable adoption of Schön’s (2002) reflection-of-action mindset (Section 3.2.1). This agenda supports a participatory action research case study methodology. This methodology provides appropriate acknowledgement of the roles of the researcher and host organisation, being compounded by a duality of research-practitioner roles.

Personal stories of researchers who have played these dual roles can provide solid learnings to assist others to realise a positive experience. Holian (1999) describes her experience of conducting action research on her own organisation and reports the following findings:

- The researcher’s immersion in the topic ensured that it held her interest when things got tough.
- The researcher’s role changed during the project from impartial objective observer, observing while participating, to a fully participating observer.
- The researcher’s relationship with the organisation assisted with data collection.
- Collecting data on working relationships resulted in ethical issues due to role conflicts in being a researcher and having organisational responsibilities.
- The researcher was unable to be seen as objective when the research revealed negative information for the organisation, casting her into the perceived role of ‘whistle blower’.
- Peers did not feel comfortable with the questioning and scrutiny of organisational practices.
In an attempt to assure the quality of practitioner research, Anderson and Herr (1999, p. 16) suggest a set of criteria to assess its validity, which this is applied to the thesis methodology in Table 4.1. These findings support the application of action research cycles, triangulation of data sources, involvement of a cross-section of stakeholders, focus on reflection of process and action-research reflection cycles in practitioner's research.

### Table 4.1: Applying Anderson and Herr’s (1999) Criteria for Validity in Practitioner Research

<table>
<thead>
<tr>
<th>Anderson and Herr's Criteria</th>
<th>Issues raised in the literature</th>
<th>Approach taken in Research Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outcome validity:</strong> The extent to which actions occur that lead to a resolution of the presenting problem that led to the study.</td>
<td>This raises the question of problem redefinition during the course of the study, and how different stakeholders would define success.</td>
<td>Addressed through Action Research cycles.</td>
</tr>
<tr>
<td><strong>Process validity:</strong> The extent to which problems are framed and solved in a manner that permits ongoing learning of the individual or system.</td>
<td>This criterion suggests the underlying assumptions behind the problem definition, and addresses what qualifies as evidence to support assertions. Triangulation of data sources can assist to validate perspectives.</td>
<td>Triangulation of data sources.</td>
</tr>
<tr>
<td><strong>Democratic validity:</strong> The extent to which research is done in collaboration with all parties who have a stake in the defined problem.</td>
<td>Inclusion of stakeholders is seen to support triangulation of data, and also, ethical and social justice considerations.</td>
<td>Involvement of a cross-section of stakeholders.</td>
</tr>
<tr>
<td><strong>Catalytic validity:</strong> The extent that the research process reframes and energises participants toward knowing reality in order to transform it.</td>
<td>By documenting how individuals or systems thinking evolves and develops through research journals, researchers develop greater reflective understanding.</td>
<td>Study focuses on reflection of processes.</td>
</tr>
<tr>
<td><strong>Dialogic validity:</strong> Peer review processes to assist critical thinking.</td>
<td>Identifying appropriate peers for constructive debate.</td>
<td>Action-Research reflection cycle.</td>
</tr>
</tbody>
</table>

Problems of conflict of interest in analysing the archival data in this research will be reduced as the duality of roles no longer exists, since the researcher is no longer an employee. However, the research maintains an ongoing practitioner's interest in the topic.
4.2 Examining the Research Questions

Having described the context in which the research was undertaken, the remainder of this chapter examines the most appropriate approach to exploring and researching the three research questions. The research questions were defined in Section 3.4 as:

- How do organisations define their Strategic Intent Domain?
- How do organisations define their core organisational capability (OC)?
- How do organisations embed their OC into their Job Context, Organisational Systems and Knowledge Networks Enablers?

The research questions draw on the Model of Organisational Capability (Figure 3.6), to examine how organisations can achieve the change in mind-set required to embrace an Organisational Capability (OC) agenda.

Cavana, Delahaye and Sekaran (2001) in Figure 4.1 outline a model of the research design and the critical choices for the researcher, which provides an outline for describing the research methodology for the study.

**Figure 4.1: The Research Design: Details of the Study (Cavana, Delahaye and Sekaran 2001, p. 107)**

This figure is not available online.
Please consult the hardcopy thesis available from the QUT Library.

This chapter will explore why this research is best suited to an exploratory study, seeking clarification from an organisation in a non-contrived setting. The case study will collect evidence from quantitative and qualitative sources. A single case study...
will be used with the general characteristics of the host organisation being explored, including the available sources of data.

4.2.1 Research Design
In exploring the research design a range of options will be explored:
- quantitative or qualitative methodology
- approaches taken in previous research in the field
- the research strategy.

4.2.2 Quantitative or Qualitative Approach
The initial question to consider is whether a quantitative or qualitative approach should be taken. Quantitative research explores theories by testing hypotheses, whereas qualitative research is designed to give meaning.

Two major traditions of research in the social sciences have been identified by Williamson, Burstein and McKemmish (2002, p. 25) – positivist and interpretavist:
- The positivist approach uses natural sciences research methods, applying deductive reasoning where the argument moves from general principles to particular instances. Common research designs for positivists include experimental design and survey, with samples selected to optimise reliability and validity.
- The interpretivist see meaning as being made by people, as they interpret their world. The Interpretivist applies inductive reasoning, beginning with a particular instance and concluding with general statements, and tending to use qualitative approaches such as case study and historical research.

Given the nature of the research questions, deductive reasoning is not appropriate. The questions themselves relate to developing a greater understanding of how organisations can develop their Model of Organisational Capability (MOC). The interpretavist/inductive approach seems more appropriate as there are no established general principles for the development of MOC in organisations. This conclusion is supported by the criteria used by researchers when selecting either a quantitative or qualitative approach. Creswell (2003) outlines five criteria, and suggests the following characteristics to assist researchers to select the most appropriate approach to their study (Table 4.2).
Table 4.2: Criteria for Selecting a Quantitative or Qualitative Design/Paradigm (Creswell 1994)

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Quantitative</th>
<th>Qualitative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Researcher's world view</td>
<td>Objective</td>
<td>Subjective</td>
</tr>
<tr>
<td>Training and experience of the Researcher</td>
<td>Versed in instrument selection and construction, data analysis and statistical techniques</td>
<td>Excellent communication and analytical skills</td>
</tr>
<tr>
<td>Researcher's psychological attributes</td>
<td>Procedures are systematically outlined</td>
<td>Able to work in the absence of structure and guidelines</td>
</tr>
<tr>
<td>Nature of the problem</td>
<td>Testing theory</td>
<td>Building theory</td>
</tr>
<tr>
<td>View of audience for the study</td>
<td>Objective</td>
<td>Subjective</td>
</tr>
</tbody>
</table>

Due to the lack of research in the area, the research questions (Section 4.2) focus on building theory rather than testing established theory. The application of Creswell's criteria (Table 4.2) supports a qualitative design with a view to building theory.

4.2.3 Research Approaches of Previous Research

The research questions are complex, making the selection of an appropriate research approach problematic. The questions define three complex dimensions which are incorporated in the Model of Organisational Capability (MOC) being the:

- Question One - Strategic Intent Domain
- Question Two – Core organisational capability (OC)
- Question Three - Organisational Enablers (job context, organisational systems and knowledge networks).

These dimensions are interrelated and innately difficult to measure. Indeed one can see a logical argument as to why these dimensions are obtuse. If measurement of such dimensions was clear cut, one could argue that the firm’s competitive advantage would be more readily imitated by competitors. This section will explore the different fundamental research strategies and approaches, and in so doing, assess their relevance to the research questions and their dimensions.
Overwhelmingly, previous research conducted on related topics and research questions has taken qualitative approaches, in particular, a case study approach.

- Schroder et al. (2002) used questionnaires to study 164 manufacturing plants across five countries, and their use of resource-based theory of the firm approaches to build organisational capability to increase performance.
- Luoma (2000) examined three case studies and the strategic aspects of HR, putting the capability role of HR in perspective.
- Hondeghem and Vandermeulen (2000) examined two case studies in the public sector in the Flemish administration and the Dutch civil service, where they identified implications for HR functions.
- Yeung and Berman (1997) examined a case study at Kodak where they identified how HR practices contribute to business performance.
- Bonn and Christodoulou's (1996) longitudinal study in 1982 and 1993 in Australia showed strategic planning systems’ role in strategic management efforts in large manufacturing companies.
- Gunnigle and Moore (1994) surveyed human resource (HR) management practices in Irish organisations examining linkages between strategy and HR practices.
- Leonard-Barton (1992) examined 20 case studies of new product and process development projects in five firms to illustrate the nature of core capabilities.
- Stalk (1992) examined two case studies that account for business success stories.
- Bowen et al. (1991) examine a new approach to selection where employees are hired to fit the characteristics of the companies, using case studies in Japanese and American high and low technology companies.
- Prahalad and Hamel (1990) conducted case study research focusing on the benefits of core competencies and their role in strategic positioning.
- Miles, Snow, Meyer et al. (1978) examined adaptation in four industries.

From the discussion above, a qualitative approach will be pursued. The purpose of the research and an appropriate strategy will be developed.

### 4.2.4 Selecting the Research Strategy

The purpose of the study is to develop further understanding of how a Model of Organisational Capability (MOC) might be developed in an organisational mindset. In line with the thoughts of Marshall and Rossman (1999) of the different purposes...
of studies and the nature of research questions, this study can be identified as exploratory research. It is interested in developing greater understanding of the forces involved in developing Core organisational capability (OC). As thinking on the MOC develops, explanatory or descriptive studies will become more plausible. This study is not emancipatory, as it does not relate to social actions or agendas (Table 4.3).

Table 4.3: Matching Research Questions and Purpose (Marshall and Rossman 1999, p. 33)

This table is not available online. Please consult the hardcopy thesis available from the QUT Library.

The research strategy has been established as undertaking qualitative research with an exploratory purpose. With this focus in mind, the next step is to find which research method, or combination of them, is most appropriate. Yin (2003, p. 5) proposes a decision matrix to assist researchers to determine which research strategy is relevant to a particular situation (Table 4.4).
Yin's (2003) matrix is applied to the dimensions of the research questions, the focus being how organisational capability (OC) can be developed. This then dismisses the quantitative approaches of survey and archival analysis. There is no requirement to control behaviour, therefore eliminating the experimentation approach. As the events are contemporary to organisations, the matrix suggests a case study approach, as conducted by researchers in similar topics.

A case study approach is also supported by Marshall and Rossman (1999), who describe how the genre of the research can direct the research into the most appropriate strategy and focus of inquiry (Table 4.5). The study is interested in how an organisation develops its Core OC, which follows the society and cultural genre, requiring an in-depth understanding of an organisation. Applying Marshall and Rossman’s criteria, a case study research strategy would be the most appropriate.

Table 4.5: Qualitative Genre and Overall Strategy (Marshall and Rossman 1999, p. 61)
Selection of a case study approach for the research questions is supported by Graziano and Raulin (1989, pp. 116-119) who identify the conditions under which case studies can be useful:

- research which looks at the natural flow of behaviour
- at the beginning stages of research in a new area
- demonstrating a new research or treatment technique
- potential contributions to generalisability of research findings
- where the question being asked concerns the specific individual or case which is the object of the study.

Graziano and Raulin (1989, p. 120) indicate that case study research can provide:

- descriptions of events, including events never before observed
- identification of contingent relationships among variables
- bases for hypotheses to be used in higher constraint research
- observations to negate general propositions.

In summary, the dimensions of the research questions relate to a relatively new area of organisational behaviour, and there is a strong desire for generalisability of findings and the clarification of the complexity of the dimensions. The research questions for this thesis support a case study approach, and satisfy Graziano and Raulin’s (1989) conditions and outcomes for case study research, Marshall and Rossman’s (1999) Exploratory Study Purpose, and Yin’s (2003) Relevant Situation Criteria.

4.3 Characteristics of Case Study Research

Due to the immaturity of understanding about the Model of Organisational Capability (MOC), a case study on a group or organisation appears to be the most appropriate strategy. Yin (2003) defines a case study as “an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident” (pp. 13-14).

In assessing the suitability of the host organisation for a case study, it is important to have a clear focus of what constitutes a case study. The case study inquiry is defined by Yin (2003) as having the following attributes:

- Copes with the technically distinctive situation in which there will be many more variables of interest than data points.
• Relies on multiple sources of evidence, with data needing to converge in a triangulating fashion, and as another result.
• Benefits from the prior development of theoretical propositions to guide data collection and analysis.

This suggests the importance of selecting a case study that is rich in complexity, allows triangulation of evidence and enables the MOC to guide the data collection and analysis.

Case studies provide a useful base for building theories. Eisenhardt (1989) and Yin (2003) describe a process for building theories from case studies, and position theory building from case studies within social science research. Eisenhardt (1989) suggests that there is confusion regarding the distinction between qualitative data, inductive logic and case study research. Her process builds on earlier work by examining the prior specification of constructs, triangulation of multiple investigators, within-case and cross-case analyses and the role of existing literature. Additionally, Eisenhardt’s (1989) positioning of theory building from case studies explores the strengths and weaknesses of such an approach, identifies situations in which it is an attractive research approach, and suggests guidelines for evaluating this type of research (Table 4.6).
Nieto and Perez (2000) build on Eisenhardt’s (1989) work and discuss the use of case studies to build theories. They propose a case study approach as represented in Figure 4.2 and Figure 4.3 as a means of avoiding the problems of distortion of reality described by Mintzberg (1979). Interestingly, Nieto and Perez draw on the resource-based view of organisational competitive advantage (Godfrey & Hill, 1995,
p. 523) which suggested that less observable resources provided a greater barrier to imitation. They believe that case study approaches make these mechanisms easier to investigate and conclude that case study approaches to research are useful when attempting to discover which factors influence others. To achieve successful case study analysis, they suggest analysis over prolonged periods of time, multiple sources of evidence, and quantitative as well as qualitative techniques. Nieto and Perez (2000) do not see generalisability of results as a problem for a case study methodology, due to the depth of understanding developed from a specific field of application.

**Figure 4.2: Replication Logic (Nieto & Perez 2000, p. 725)**

This figure is not available online. Please consult the hardcopy thesis available from the QUT Library.
Eisenhardt also provides a number of examples where studies have successfully developed models based on case study research, which are detailed in Table 4.7.

Table 4.7: Examples of Inductive Case Study Research (Eisenhardt 1989, p. 535)
Eisenhardt’s (1989, p. 535) examples of research situations involving strategic management related issues support the case study approach for the research questions.

A case study approach to the research questions therefore seems the most appropriate. The approaches of Eisenhardt (1989) and Nieto and Perez (2000) provide a valuable methodological framework and process. All of these researchers’ frameworks for building theories from case study, suggest the following guidelines for the research:

• More than one case study is preferable for building theory.
• Triangulation of evidence builds stronger understanding.
• The case study host needs to support theoretical frameworks to shape data collection.
• There should be sufficient complexity in the case study host organisation.
• The researcher should be able to collect quantitative and qualitative sources of evidence.
• The host organisation should be flexible, so adjustments to the approach can be made based on learnings.

The case study situational context of dual practitioner/researcher role will enable all of these guidelines to be met, with the exception of the first. Given the complexity of the underlying nature of organisational capability, as reflected by the three interlinking Domains of the MOC (Figure 3.6), only one organisation will be reviewed for this thesis.

4.3.1 Research Genres of Case Study Research

Having selected a case study approach there are a number of options. Marshall and Rossman (1999, pp. 5-7) identify five genres of qualitative research:

• Narrative analysis – seeks to describe the meaning of experience for individuals who are frequently marginalised or oppressed by constructing stories.

• Action research – seeks full collaboration by participants through a democratic inquiry process and typically involves practitioners who wish to use research to improve their practice.

• Critical ethnography - assumes society is structured in order to maintain the oppression of marginalised groups.

• Participatory Action Research - seeks full collaboration between researcher and participants in posing questions and responding and entails a cycle of research, reflection and action.

• Feminist Theories - places women at the center and sees identifying patriarchy as central to understanding experience.

Since the focus of the research questions is on the internal systems and processes of organisations, Narrative Analysis, Critical Ethnography and Feminist Theories genres appear to have limited application. Action Research and Participatory Action Research (PAR) on the other hand may well be relevant as improving the practice of organisations is very consistent with a desire to understand how the dimensions of the research question interplay. PAR appears to offer similar outcomes to Action Research but is based on a stronger involvement of stakeholders in the research process, which more accurately reflects the situational context of this research exercise.
PAR will be explored in more detail. This selection is reinforced by Walker (2002, p. 3) who sees reflective research as a means for individuals to reflect on relationships to in order to enable hypotheses or improved work practices to be developed and tested. He reflects that case study and action research defines ‘what is’ and ‘what might be’, thereby allowing hypotheses and propositions to be tested.

4.3.2 Action Research
A highly explanatory definition of action research was documented by the participants at an international symposium on action research (Altrichter, Kemmis, McTaggart, & Zuber-Skerritt, 1990, pp. 19-20). Their suggestions are as follows:

(a) If you are in a situation in which:
   • people reflect and improve (or develop) their own work and their own situation
   • by tightly interlinking their reflection and action
   • making their experience public not only to other participants but also to other persons interested in and concerned about the work and the situation, i.e. their (public) theories and practices of the work and the situation.

(b) And if yours is a situation in which there is increasingly:
   • Data-gathering by participants themselves (or with the help of others) in relation to their own question.
   • Participation (in problem-posing and in answering questions) in decision-making
   • Power-sharing and the relative suspension of hierarchical ways of working towards industrial democracy.
   • Collaboration among members of the group as a “critical community”.
   • Self-reflection, self-evaluation and self-management by autonomous and responsible persons and groups.
   • Learning progressively (and publicly) by doing and by making mistakes in a “self-reflective spiral” or planning, acting, observing, reflecting, replanning.
   • Reflection which supports the idea of the ‘reflective practitioner’.

(c) Then yours is a situation in which ACTION RESEARCH is occurring.

(d) This approach provides a number of qualities:
• Open enough so that further elaboration and development seems possible.
• Allowing for an ex post facto incorporation of projects into the discussion (which had not been initiated and conducted on the basis of some elaborate understanding of action research).
• And, above all, shared with respect for the process of its formulation for a specific context.

The nature of Action Research is described by Kemmis and McTaggart (1988, pp. 5-13) in terms of a spiral involving four activities that the researcher undertakes collaboratively.

• **Plan** - Forward looking action, that is flexible and recognises the real constraints of social change, allowing practitioners to take risks to move beyond current boundaries.
• **Action** - Deliberate and controlled action, that is flexible in responding to unpredictable circumstances.
• **Observation** – Documenting the effects of critically informed action.
• **Reflection** – Recalls action as it has been recorded in observation.

This four-step cyclical process is also supported by Zuber-Skerrit (1996).

The ability to develop an understanding of the dimensions of the research question requires participation by the organisation’s stakeholders. This process would be most readily adopted in an organisation that was open to self reflection and had a strong culture of reflective learning.

However, there are a number of different approaches to action research. McNiff and Whitehead (2000) explore the nature of action research and identify three research paradigms – empirical, interpretive and critical theoretic research. They suggest that action research is a form of the critical theoretic research, and identify three approaches to action research with differing ontological assumptions and political aims:

• **Interpretive** – the aim of this research is to observe, describe and explain the research of others, and often appears as a form of process management.
• **Critical Theoretic** – the aim of this research is to become aware of, and work to overcome, the forces of domination and control that influence and potentially distort their work practices.
• Living Educational Theories – the aim of this research is to attempt to understand and resolve contradictions to improve productivity of self and others (McNiff & Whitehead, p. 201).

In terms of the research questions, living educational theory assumptions would seem appropriate, as an understanding of the interplays between the research questions’ dimensions and a desire for reflection and improvement is consistent with the research questions. In considering an action research approach it is naturally prudent to be aware of its limitations. Chisholm (1990, p. 254) identified three characteristic shortfalls of action research:

• Researchers hide or deny their theoretical interests and concerns, as the results cannot be generalised beyond the participating group.
• Researchers deceive themselves that they are creating democratic research relations which affect negotiated roles, and thereby create ethical concerns.
• The projects split into two dimensions of action and research, resulting in them not working in collaboration.

In exploring the living education approach of action research Schön (2002) examines the behaviour of a range of professionals by reflection-in-action, to determine the usefulness of reflection-in-action as a methodology for understanding and analysing behaviour and competence. He defines the constants for living education researchers as:

• The media, language and repertoires to describe a reality and conduct experiments.
• The appreciative systems they bring to problem settings.
• The overarching theories through which they make sense of phenomena.
• The role frames within which they set their tasks and through which they bound their settings (p. xxx).

Schön (2002) suggests that if a practitioner does not reflect on his/her own inquiry, keeps his/her intuitive understandings tacit, and is inattentive to the limits of his/her scope of reflection and learning then “the divergence of research and practice exacerbates the practitioner’s dilemma of ‘rigor or relevance’ and tempts the practitioner to force practice situations into models derived from research” (p. xxx).
Therefore, in looking at the research questions, it would appear that applying Schön's approach of self reflection and the 'rigor of relevance' to an action research methodology would assist in reducing the impact of its limitations. In exploring the living educational theory in more detail, Eisenhardt (1989, p. 535) and McNiff and Whitehead (2000) support the Living Educational Theories approach and identify the following elements:

- I, the Researcher, am central to the process
- I am learning first about myself in order, possibly, to change a social situation
- I am not aiming for closure but ongoing development
- The process is participative
- The process is educational (McNiff & Whitehead, 2000, p. 203).

In summary, from this investigation the case study living educational theory approach to Action Research is appropriate for the research questions in this study, as it provides the researcher with an opportunity to explore the contradictions and dimensions within the MOC.

### 4.3.3 Participatory Action Research

Participatory Action Research (PAR) is another action research methodology consistent with the Living Educational Theories approach. Trist (1981) and Foote Whyte (1991) define PAR as an investigation where some of the members of the organisation or community under study participate actively throughout the research process with the professional researcher. They see PAR as a form of applied research, but one where the professional researcher works collaboratively with the organisation or community members. This approach builds on the sociotechnical analysis of Trist (1981).

Trist (1981) and Foote Whyte (1991) suggest that the normal scientific model of research is a process of theory building, hypothesis generation and subsequent testing. They suggest that in comparison, PAR begins with a combination of theoretical and practical concerns, an extended PAR process and the subsequent reformulation of existing explanations. They argue that the requirements for measurement can unduly skew the research outcomes from addressing fundamental issues. Focus on attitudes and perceptions, rather than the more complicated measurement of behaviours, can cause the researcher to miss the more realistic and scientifically defensible relationships. Foote Whyte, Greenwood
and Lazes (1991, pp. 40-53) also suggest that PAR offers an approach which
overcomes the limitations of looking at complex organisational problems from a
single-discipline perspective, as they have the advantage of a wide range of
disciplines from within the organisation at their disposal.

PAR has a lot to offer the research questions, particularly given the situational
context described in Section 4.1. The cross-discipline characteristic and the strong
involvement of the organisation appear to sit well with the dimensions of the
research questions. PAR requires significant engagement from the host
organisation, and their lack of preparation for such a contribution could be a limiting
factor on the utilisation of this approach.

Support for the PAR approach in this research is also provided by Foote Whyte et al.
(1991) who examined the benefits of PAR. Their analysis of case studies using this
methodology suggests that it is an important method for examining the plausibility of
theories and formulating new hypotheses about key relationships. They emphasise
that the link with practitioners in addressing practical problems is likely to broaden
the researcher’s mind, leading to advances in both theory and practice.

In this Case Study the practical problem is not the traditional issue of establishing a
measurable or observable change. In this research, the practical problem relates to
changing the mind-set of the host organisation toward an OC agenda. Nevertheless,
the PAR approach is seen as the most appropriate methodology as it supports
strong engagement with the organisation, and a detailed understanding of the key
relationships that support the organisation’s engagement with MOC.

In summary, the methodology used to address the three research questions will be
qualitative. Consistent with previous research in this area, a case study approach
will be adopted. The research strategy will be exploratory within an organisation,
designed to support the building of theory, providing in-depth analysis over an
extended period of time, with multiple sources of information. The research genre is
PAR, reflecting the dual role of researcher/practioners, with living educational theory
assumptions.
4.4 Sources of Information

From Eisenhardt's (1989, p. 535) description of research that has been successful in developing theories from case study, one can see the strong use of archives, interviews, observations and questionnaires. Marshall and Rossman (1999) assess the strengths and weaknesses of a range of data collection techniques (Table 4.8). From their analysis of those most commonly used to address research questions in case studies with a qualitative focus, the host case study organisation generally provided evidence from researcher observations, interviews, focus groups, interviews, document reviews and questionnaires. This selection of evidence bases enabled triangulation of the data, and supported the development of theory from the case study.

Table 4.8: Data Collection Methods (Marshall & Rossman 1999, pp. 134-5)

This table is not available online. Please consult the hardcopy thesis available from the QUT Library.
Cavana et al. (2001, p. 114) suggest that the extent of knowledge about the situation or research topic guides the researcher’s choice of sources of evidence. They conclude that where there are limited conceptual frameworks or knowledge of the variables affecting the problem, the researcher is more likely to be conducting exploratory research, with research objectives framed as research questions, using observation, unstructured interviews and unstructured focus groups as sources of data. The characteristics of the Delphi Technique, focus groups and archival documentation will be explored in more detail.

The Delphi Technique is a system of collecting and aggregating the views of experts, through a process of rounds to achieve consensus (Reid, 1988). The advantages and disadvantages of the approach are identified in Table 4.9.
Table 4.9: The Delphi Technique: Advantages and Disadvantages (Williams & Webb 1994 and Powell 2003)

<table>
<thead>
<tr>
<th>Source</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Williams &amp; Webb, 1994)</td>
<td>provides consensus of expert opinion without the bias that can occur in comparable techniques</td>
<td>no criteria on the size and composition of the panel</td>
</tr>
<tr>
<td></td>
<td>encourages honest opinions free from peer pressures</td>
<td>no evidence of the reliability of the technique</td>
</tr>
<tr>
<td></td>
<td>with each round the views of the panel can be reviewed</td>
<td>potential for bias from the Researcher in interpreting the findings</td>
</tr>
<tr>
<td></td>
<td>high face validity</td>
<td>consensus is poorly defined</td>
</tr>
<tr>
<td></td>
<td>when consensus is achieved, there is evidence of concurrent validity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>logistically, allows for participation of a wide group of people</td>
<td></td>
</tr>
<tr>
<td>(Powell, 2003)</td>
<td>flexible method useful in achieving consensus in areas of uncertainty or lack of empirical evidence</td>
<td>results reflect expert opinion rather than indisputable face</td>
</tr>
<tr>
<td></td>
<td>democratic and structured approach that harnesses the collective wisdom of participants</td>
<td>results will require further validation</td>
</tr>
<tr>
<td></td>
<td>useful for shaping communication and seeking agreement with diverse groups</td>
<td></td>
</tr>
</tbody>
</table>

Within the Delphi general approach, a particular approach called Policy Delphi has emerged. Van Dijk (1990) compared the characteristics of face-to-face individual and group interviews Policy Delphi, with the traditional mailed questionnaires approaches to Delphi. Their conclusions suggest that a three round Policy Delphi Technique enjoys the advantages of both approaches. They suggest the following process:

- First round – individual interviews to motivate participation.
- Second round – group interviews to support discussion and self confidence.
- Third round – anonymous mailed questionnaire for final voting and decision making.

A similar approach is suggested by Nelms and Porter (1985).

The Policy Delphi technique has particular appeal to the case study, as it supports the use of groups, and focuses on decision making.

*Leanne Margaret Gill*
Focus groups are a form of group interview, defined by Krueger (1988, p. 18) as groups of up to twelve people who have been selected because they share certain characteristics, and are asked focused questions to encourage discussion. These interviews can be repeated with different individuals a number of times so the interviewer can identify trends in perception and opinions. Focus groups are seen to offer many advantages:

- They help people to form their views by listening to the opinions of others
- The communal nature of the group is more natural than individual interviews
- They are good for testing conclusions (Morgan, 1997).
- They have high face validity
- They increase the sample size (Krueger, 1988).

The final source of information to be examined is the review of archival documentation. This is an unobtrusive and non-reactive approach, that allows the proceedings to be clearly followed by the reader. Marshall and Rossman (1999, p. 117) suggest that there is a risk related to the span of inferential reasoning, where the researcher may mis-interpret meaning from the artefacts. The majority of archival documentation collected for this research is in the form of emails, project briefs, diary logs, discussion papers and formal presentations. The archival evidence tracks intentions and outcomes of these discussions.

Typically in qualitative research formal interviews are carried out to collect information. Given the researcher’s employee status at the time of the project, structured interviews would not have been acceptable to HR managers. Numerous meetings and discussions occurred, often as part of regular weekly meetings between the researcher and Associate Director Strategic Services (ADSS) and the HR Director. These were well-established working relationships, with the Researcher having worked in HR within the organisation for two years prior to the commencement of the project. The taking of formal minutes would not have been appropriate, given that this was primarily a work project.

In summary, examining the potential sources of information for developing theory from case study, archives, interviews, observations and questionnaires need to be considered (Eisenhardt 1989). Marshal and Rossman’s (1999) examination of the strengths and weaknesses of these sources suggests utilisation of observation, interviews, focus groups and documentation review. The Policy Delphi Technique
(Van Dijk, 1990) provides a systematic approach to observation, focus groups and archival documentation that will engender support, commitment and decisions. Structured interviews are not part of the data capture used in the Case Study, but archival documentation collected for this research includes emails, project briefs, diary logs, papers and formal presentations. The final section of this chapter outlines how these sources of information were deployed in the Case Study.

4.5 Sources of Information and the Case Study

The location for this research is an Australian University, referred to in this thesis as UNI, operating across a number of campuses with a workforce of approximately 4,000 permanent and casual employees. The research group will be part of the Human Resources (HR) Department, with the researcher having responsibilities for organisational review and development. The researcher will therefore have dual responsibilities, as a member of HR and as the researcher. The project had the support of the Director and Associate Directors of HR, as well as the Vice-Chancellor. Details of the context of the research are provided in Attachment Three.

HR acknowledged they had no defensible framework that validated their systems, processes and programs. HR sought a framework that would assist them to determine their priorities, and enable UNI to see how their programs and systems contributed to UNI outcomes. The participatory action research (PAR) approach starts with the problems faced by people who work in an organisation, rather than with a review of the literature, and then a defined hypothesis (Foote Whyte et al., 1991, p. 40).

In applying the PAR approach to the research questions at the UNI, the research methodology will consist of five Phases:

- Phase One - contract to undertake the research
- Phase Two - define the Strategic Intent Domain
- Phase Three - test the Strategic Intent Domain
- Phase Four - define Core OC
- Phase Five - define priority Enablers.

The first phase focused on contracting the nature of the PAR with UNI. This process was designed to establish a common understanding of the purpose of the research. The second phase defined the Strategic Intent Domain outlined in the
Model of Organisational Capability (MOC) (Figure 3.6). This approach was consistent with UNI’s traditional top-down strategic planning approach, which helped keep the research driven by business agendas, and provides a common focus for stakeholders. The third phase tested the defined Strategic Intent Domain with a cross-section of senior managers to ensure face validity. The fourth phase built the definitional taxonomy of the Core OC, so as to provide a platform for the development of the Knowledge, Job Context and Organisational System Enablers outlined in the MOC. The fifth phase explored the systems and processes that would build the Enablers defined in the MOC.

This approach acknowledged the sphere of influence of the HR function within UNI, and provided a focus that was most likely to gain the interest of senior managers. These five phases focused on the Strategic Intent which was the least well defined Domain of UNI and the Domain of most concern to UNI senior managers. As the researcher was working in the HR department at the research location, at the time of the research activity, her understanding of the cultural motivations helped guide the approach.

Alternatively, the research could have started with either the Individual or Job Context Domains. These two Domains are the more traditional focus of the HR department and relatively well understood through staff development and job analysis processes. These Domains do not attract the same level of interest from senior managers as the Strategic Intent Domain. Once the Strategic Intent Domain was more clearly defined, aligning the Individual and Job Context Domains through Enablers could be achieved by HR, as these functions are HR’s predominant areas of accountability.

The application of the PAR to the UNI Case Study is represented in Figure 4.4. Nieto and Perez’s (2000) Stages in the Case Study by Patterns of Behaviour (Figure 4.3) are applied to the UNI Case Study. This showed how the overall theoretical framework of the action research’s plan-act-observe-reflect, relates to the research questions, and the protocols for each of the five Phases of the UNI Case Study.
Figure 4.4 also shows the scope of the research. The UNI Case Study focuses on how the organisation changed its mindset from traditional views of the HR function to acceptance of an OC agenda. The remainder of this chapter outlines the sources of information and levels of analysis though each of the five phases. The time frame of the project was extensive. The 2½ years of data collection meant that extending the research to implementation or examining multiple-cases would be impractical, and beyond the expectations for a doctoral thesis. A diary log was kept throughout the research, and is provided in Attachment Four. Each of the five phases of the research will be outlined, in terms of the sources of information and levels of analysis.
4.5.1 Phase One: Contract to Undertake the Research

In the first phase of the Case Study, the objectives of the research were defined. This was determined by interviewing key stakeholders in the human resource (HR) Department (HRD) and more broadly across UNI. At this stage the level of political support for the project, resourcing, and any parameters to the scope of the research were established. The experience of other organisations in the sector, as well as organisations beyond the sector, and the learnings from the management literature informed how the project objectives were defined. Naturally UNI had strategic management processes in place, and the nature of these was defined, and their impact on the research objectives identified in the project brief. A diary log kept by the researcher provided a means of reflection on how the scope was defined and redefined, and on resource allocation issues, Attachment Four. Phase one is outlined in Table 4.10.

Table 4.10: UNI Case Study Phase One - Sources of Information and Level of Analysis

<table>
<thead>
<tr>
<th>Contract to Undertake the Research</th>
<th>Sources of Information and Level of Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan</td>
<td>Interviews:</td>
</tr>
<tr>
<td></td>
<td>. Associate Director Human Resources</td>
</tr>
<tr>
<td></td>
<td>. Director Human Resources</td>
</tr>
<tr>
<td>Act</td>
<td>Source relevant UNI documents</td>
</tr>
<tr>
<td></td>
<td>. UNI draft workforce plan</td>
</tr>
<tr>
<td></td>
<td>. HR information from staff satisfaction surveys, leadership profiles</td>
</tr>
<tr>
<td></td>
<td>and supervisor development profiles</td>
</tr>
<tr>
<td></td>
<td>. UNI strategic planning process</td>
</tr>
<tr>
<td></td>
<td>Review Management Literature</td>
</tr>
<tr>
<td>Observe</td>
<td>Diary Log</td>
</tr>
<tr>
<td></td>
<td>. development of scope</td>
</tr>
<tr>
<td></td>
<td>. views on senior staff involvement</td>
</tr>
<tr>
<td></td>
<td>. resource allocation</td>
</tr>
<tr>
<td>Reflect</td>
<td>Project Documentation</td>
</tr>
<tr>
<td></td>
<td>. define project scope, outcomes, resources</td>
</tr>
</tbody>
</table>

4.5.2 Phase Two: Define the Strategic Intent Domain

As UNI already had processes to determine strategic priorities, artefacts of the Strategic Intent Domain already existed. Faculties and divisions had business plans, and the Vice-Chancellor had made a number of statements identifying the mission and future direction of UNI.

The HR Department had information that provided evidence of the capabilities important to UNI. 360-degree senior staff and supervisor performance assessments
identified the capabilities valued by UNI’s workforce. Further, a staff satisfaction survey from 1999 reflected the capabilities most important to the workforce.

By analysing these documents to identify assumed organisational capability (OC), a starting point to determine the Core OC was established. The allocation of two staff members from Human Resource Department (HRD) to independently analyse these documents and then compare the results was intended to reduce rater bias. The analysis was aided by qualitative software (Nud*st) that assisted the researcher to sort and categorise the information.

The results of this analysis were then fed back to HR management, whose responses to this initial analysis assisted them to refine the Core OC. Interviews with senior HR staff informed how the project was positioned within UNI, and the refinement of the primary research of the UNI documentation reflected their views on the Strategic Intent Domain. This refining process occurred before the results were more broadly disseminated across UNI. Diary notes continued to be used to reflect on the project’s progress. Phase Two is outlined in Table 4.11.

Table 4.11: UNI Case Study Phase Two - Sources of Information and Level of Analysis

<table>
<thead>
<tr>
<th>Define the Strategic Intent Domain</th>
<th>Sources of Information and Level of Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan</td>
<td>Interviews:</td>
</tr>
<tr>
<td></td>
<td>. opinion leaders on strategic workforce management issues</td>
</tr>
<tr>
<td></td>
<td>UNI Documentation:</td>
</tr>
<tr>
<td></td>
<td>. identify documented evidence of strategic direction for UNI</td>
</tr>
<tr>
<td></td>
<td>. revise Project Documentation</td>
</tr>
<tr>
<td>Act</td>
<td>Analyse UNI Documentation to establish Strategic Intent Domain, using Nud*st nodal trees:</td>
</tr>
<tr>
<td></td>
<td>. faculty and divisional business plan</td>
</tr>
<tr>
<td></td>
<td>. staff satisfaction survey results – most significant issues for UNI</td>
</tr>
<tr>
<td></td>
<td>. leadership profile of senior staff – focus of senior staff</td>
</tr>
<tr>
<td></td>
<td>. supervisor development program – focus of middle managers</td>
</tr>
<tr>
<td></td>
<td>. published literature on future trends in tertiary education</td>
</tr>
<tr>
<td>Observe</td>
<td>Interview with HR staff</td>
</tr>
<tr>
<td></td>
<td>. Review of nodal tree by senior HR staff, to develop first draft Core OC</td>
</tr>
<tr>
<td>Reflect</td>
<td>Diary notes</td>
</tr>
</tbody>
</table>

4.5.3 Phase Three: Test the Strategic Intent

A cross-section of senior staff with a strong interest in the strategic direction of UNI assisted to ensure the research stayed focused on the Core organisational
capability (OC). This group included twelve senior staff from UNI’s executive group with control over the shape and focus of the enabling systems and processes.

How the senior staff responded to the identified Core OC, and their views on natural linkages and dominant elements verses secondary items of the OC helped to focus the research. A Policy Delphi Technique (van Dijk, 1990) of documenting the results of the workshop and sending them back to participants for review enabled consensus to be reached on the final definitions.

Having two of the project team interpret the views of the senior staff group and review the Strategic Intent, was intended to reduce personal bias. Diary notes at this point reflected how the project was positioned within the broader UNI community, in terms of project scope, resourcing and the perceived interest of senior management. Phase Three is outlined in Table 4.12.

Table 4.12: UNI Case Study Phase Three - Sources of Information and Levels of Analysis

<table>
<thead>
<tr>
<th>Test the Strategic Intent</th>
<th>Sources of Information and Levels of Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan</td>
<td>Interviews with Senior HR staff to identify key stakeholders</td>
</tr>
<tr>
<td>Act</td>
<td>Cross-Sectional Senior Staff Focus Group to test first draft Strategic Intent</td>
</tr>
<tr>
<td></td>
<td>. review scope of project</td>
</tr>
<tr>
<td></td>
<td>. identify Strategic Intent to provide agreed focus, review structure of nodal trees and definition of terms, and engagement of senior officers, identify links with other UNI initiatives</td>
</tr>
<tr>
<td>Observe</td>
<td>Review definitions of strategic intent based on cross-sectional senior staff focus group:</td>
</tr>
<tr>
<td></td>
<td>. two assessors independently review first draft</td>
</tr>
<tr>
<td></td>
<td>. two assessors compare review</td>
</tr>
<tr>
<td></td>
<td>. Policy Delphi Technique of circulating second draft to focus group participants</td>
</tr>
<tr>
<td></td>
<td>. finalise Core OC draft two</td>
</tr>
<tr>
<td>Reflect</td>
<td>Diary Notes – review scope of project, review level of involvement of senior staff, how senior staff responded to the Core OC, perceived link with other UNI initiatives</td>
</tr>
</tbody>
</table>
4.5.4 Phase Four: Define Core OC

With a clear map of the shape, breadth and focus of the Core organisational capability (OC) as defined by the cross-sectional senior focus group, the next phase defined the Core OC. Applying Perry’s (1975; 1981) taxonomy (as detailed in Section 2.4.1) provided a consistent approach for exploring the levels of each Core OC. Existing position descriptions contained some examples of how these competencies had been defined in selection criteria in the past. By matching these descriptions to the Core OC, a starting point for the expert focus groups was established.

Grouping sixty experts into broad disciplines, focusing on their own professional areas of expertise, provided depth of analysis in the focus groups. The project team had two focus groups for each discipline so as to reduce the potential for personal bias.

The focus group’s comments were interpreted by two project team members, using Perry's (1975) taxonomy, for consistency. Once reviewed, the Policy Delphi Technique (van Dijk 1990) was used again. The results were sent back to participants for feedback, and after all feedback was received, a final process of reflection of definitions occurred, resulting in the final definition of the Core OC. The project documentation revealed how the project was seen to be implemented through the enabling systems, and the priority given to the project by the extent of acknowledgement of connectivity with other processes in UNI, and resource allocation. Phase Four is outlined in Table 4.13.

Table 4.13: UNI Case Study Phase Four - Sources of Information and Levels of Analysis

<table>
<thead>
<tr>
<th>Define Core OC</th>
<th>Sources of Information and Levels of Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan</td>
<td>. Interviews project managers of other related projects</td>
</tr>
<tr>
<td></td>
<td>. Identify <strong>Current selection criteria in Position Descriptions</strong> that currently relate to the Core OC draft 1</td>
</tr>
<tr>
<td></td>
<td>. Determine taxonomy for defining levels within Core OC</td>
</tr>
</tbody>
</table>
4.5.5 Phase Five: Define Priority Enablers

With the Core organisational capability (OC) now defined, the next task was to develop linkages with HR systems and processes to embed the Enablers. During the focus groups participants asked many questions and made many suggestions regarding linkages with existing processes and systems. By applying the framework of the Model of Organisational Capability (MOC) the nature of these linkages was determined by interviewing owners of current systems and processes that can be aligned to the Core OC. These revealed the technologies available and the readiness of systems to be aligned to the Core OC. Phase Five is outlined in Table 4.14.

Table 4.14: UNI Case Study Phase Five - Sources of Information and Levels of Analysis

<table>
<thead>
<tr>
<th>Define Priority Enablers</th>
<th>Sources of Information and Levels of Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plan</strong></td>
<td>Identify what were the desired links previously mentioned in focus groups and interviews with Enabler stakeholders:</td>
</tr>
<tr>
<td><strong>Act</strong></td>
<td>Review Project Brief based on building Enablers Presentation to senior staff and system owners outlining need for enabler linkages Develop User Requirements for Intranet system</td>
</tr>
</tbody>
</table>
4.5.6 Summary

A case study approach provided sufficient depth and complexity to explore the full range of dimensions of the research questions. The duality of roles of practitioner and researcher facilitated access to data and shaping of the research approach based on theoretical frameworks. The UNI Case Study drew on the following sources of information:

- interviews with UNI staff and other organisations
- existing UNI archival documentation (1999 staff satisfaction survey and the 2000 analysis of the leadership development priorities of supervisors and senior staff)
- project documentation, including project plans and project briefs
- focus groups with senior staff and expert focus groups, and Policy Delphi technique of finalising outcomes
- management literature
- literature on future trends in tertiary education
- diary notes, on changes in project scope, resourcing, influences, outcomes.

This information was analysed utilising:

- Content analysis of archival documentation
- Analysis of focus group comments. The analysis was then validated using a Policy Delphi Technique, to solicit independent feedback from focus group participants to validate review of Core OC versions. This methodology therefore represents its own micro Plan-Act-Observe-Reflect process in how focus group results were validated with participants.
- Triangulation in defining the Strategic Intent Domain by comparing the quantitative information from information sourced from all levels of the organisation. This information was sourced from the 1999 staff satisfaction survey, an analysis of senior staff and middle managers leadership priorities; a
content analysis of faculty and business plans and literature on future trends in
the sector; against the results of the senior management focus group.

- Comparative analysis of the project briefs and documentation, and the change
  in definitions of the strategic intent and definition of the Core OC over time,
  compared with diary notes to enable identification of the decision making
  processes engaged.

Applying Eisenhardt's Process for Theory Building from Case Study Research (1989,
p. 533) to the UNI Case Study provided an assessment of how useful the approach
was in developing theory based on the research (Table 4.15).

**Table 4.15: Applying Eisenhardt’s Process for Building Theory from Case
Study Research (1989 p. 533) to the UNI Case Study**

This table is not available online. Please consult the hardcopy thesis available from the QUT Library
All of Eisenhardt's (1989) steps were able to be applied to the UNI Case Study design, with the exception of having multiple cases. The approach includes:

- triangulation of evidence
- supportive Case Study host organisation in a culture sympathetic to research approaches
- sufficient complexity, as the objectives focus on all aspects of the MOC
- access to both quantitative and qualitative data sources
- acknowledgement by HR management that this is a new area of research, allowing for adjustments to be made as required.

### 4.6 Conclusion

To address the research question and its dimensions, an interpretivist approach was taken, using inductive reasoning. A case study strategy was adopted consistent with the process for building theory as outlined by Eisenhardt (1989) and Nieto and Perez (2000). The Action Research genre was seen as the most appropriate, incorporating a Participatory Action Research approach involving five phases to address the research questions.
Access to information was facilitated by the researcher’s occupation of dual roles at the time of the data collection, as both researcher and practitioner. Data was collected using interviews, focus groups, Policy Delphi Technique, quantitative and qualitative archival information, project documentation and a diary log. Analysis benefited from triangulation of information, with flexibility from a co-operative host organisation enabling maximum reflection on learnings.

This chapter has described the research strategy, including an outline of the sources of information and method of analysis. The next chapter will examine each of the five phases in detail.
Chapter 5 The Case Study

In Chapter Four the methodology for the research was established, outlining how a case study was used to address the three research questions. The Case Study took a participatory action research (PAR) approach, involving five phases. A summary of the approach established in Chapter Four is provided in Figure 5.1.

Figure 5.1: UNI Case Study Phases and Research Questions

<table>
<thead>
<tr>
<th>Phase One: Contract to undertake the Research</th>
<th>Contracting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase Two: Define Strategic Intent Domain</td>
<td>Research Question One How do Organisations define their Strategic Intent Domain?</td>
</tr>
<tr>
<td>Phase Three: Test Strategic Intent Domain</td>
<td>Research Question One How do Organisations define their Strategic Intent Domain?</td>
</tr>
<tr>
<td>Phase Four: Define Core OC</td>
<td>Research Question Two How do organisations define their Core OC?</td>
</tr>
<tr>
<td>Phase Five: Define Priority Enablers</td>
<td>Research Question Three How do organisations embed their OC into their Job Context, Organisational Systems and Knowledge Networks Enablers?</td>
</tr>
</tbody>
</table>

The Case Study tracks a 2 ½ year project at a large Australian university (UNI) from October 2000 until March 2003, that provided an examination of the proposed Model of Organisational Capability (MOC) (Figure 3.6). The University employs
approximately 4,000 employees. A profile of the context of the UNI case is provided in Attachment One. This chapter will explore the Case Study in detail. The Case Study draws on a diary log that is provided in Attachment Three.

The five phases of the Case Study address the three research questions.

- **Research Question One** *(How do organisations define their Strategic Intent Domain?)* is addressed in Phases Two and Three.
- **Research Question Two** *(How do organisations define their Core OC?)* is defined in Phase Four.
- **Research Question Three** *(How do organisations embed their OC into their Job Context, Organisational Systems and Knowledge Networks Enablers?)* is explored in Phase Five.

Each phase will be described in terms of the Plan-Act-Observe-Reflect model as described by Kemmin and McTaggart (1988) (Section 4.3.2). For each phase the archival documentation is listed in tables (Tables 5.1, 5.3, 5.7, 5.11 & 5.16). Further details are available on request, and a number of extracts from these documents are provided. Examining each phase through the P-A-O-R involved a reflective practice that highlighted:

- the learnings for the MOC
- an understanding of how the capability framework evolved
- lessons for future organisational capability projects.

### 5.1 Phase One: Contract the Research – October 2000 to March 2001

In Phase One, the focus was on determining the scope and approach to be taken in the research. The **planning** element of this Phase was iterative. Initially the researcher considered the approach to the project, and then involved broader groups from within Human Resources Department (HRD) Strategic Services. **Actions** included the preparation of two project briefs, literature reviews and exploration of different approaches to defining UNI’s Core Organisational Capability (OC). **Observations** of the reaction of HRD management to the task related to their desire to develop a set of descriptors based on their current knowledge sources, a reluctance to broaden the scope beyond HR competencies, and a desire to keep the
Reflections in this Phase resulted in a revised project plan with a preliminary scope, identification of some implications for HRD and a focus on human capabilities. This approach is graphically represented in Figure 5.2.

**Figure 5.2: Phase One: Plan-Act-Observe-Reflect Approach**

1. **Plan**
   - How to define the task of defining the Core OC for UNI

2. **Act**
   - Apply researcher’s knowledge of the organisation to management literature and visit other organisations to prepare project briefs

3. **Observe**
   - How HR management responds to verbal discussions on the idea of research

4. **Reflect**
   - Reflect on what approach would work at UNI and record in a project brief

5. **5P (Phase Two)**

The archival documents for Phase One are listed in Table 5.1. They track the progress of the research and provide evidence of the Phases and significant developments. These documents are cross-referenced in the Diary Log in Attachment Four. The archival evidence has enabled the researcher to reflect on the evolution of the project, and assisted in the description and analysis of the Case Study. This documentation provided a helpful record of the views of other stakeholders in the research, and assisted the researcher to reflect on the views of other stakeholders during each Phase.

**Table 5.1: Phase One Archival Documentation**

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A1. 3:</td>
<td>Email to ADSS from Researcher - Update on HRSS Project &amp; Examples of how 'Learning &amp; Innovative Workplace’ was Defined – February 2001</td>
</tr>
</tbody>
</table>
5.1.1 Description of Phase One

On 20 October 2000 the Human Resources Associate Director Strategic Services (ADSS) met with the Researcher to discuss the strategic direction of the Human Resource Department (HRD). The meeting explored current concerns of the perceived relevance of HR practices and processes, and the need for a framework that linked HR agendas to the UNI agenda. It was agreed that a proposal for a Strategic HR Framework would be developed for consideration by the HR Director.

At this stage there was a brief exploration of the literature and discussions with several other local public sector organisations known to be exploring these issues. This resulted in the initial draft Strategic Framework and a HRD Project Brief as a basis for a meeting with the HR Director.

The Project Plan from January 2001 included the following project objective, lessons from other organisations, and the literature and unresolved questions for UNI:

Objective:
Provide a framework for the management of human resources across the University and thus clear direction and rationale for HR priorities consistent with the strategic direction of UNI.

Lessons for UNI:
- Need to link with business imperative of UNI – Resources Plan and Workforce Plan
- Need to be consistent with stakeholders’ expectations and power base of HR
- Need to be consistent with strategic direction of UNI
- Need to involve stakeholders in formation of priorities
- Need to address three time horizons in capabilities statement
- First cut can link with workforce plan for UNI, and be based on environmental scanning, HR indices and HR knowledge base

Questions:
Chapter Five  The Case Study

- How is the strategic plan updated annually, and how and when should we be looking to link in with this? What is the planning time frame?
- Who in the SSG will champion this project, and who will not?
- What process of involvement would stakeholders want or expect?
- What level of consultation is required within HR?
- Are there other projects impacting on this that need to be considered? (A1.1 Table 5.1)

This initial brief formed the basis of another meeting with the ADSS, which sought to explore some of the questions raised in the initial brief including:

- defining the role of the senior staff
- defining the desired outcomes of the project for UNI
- exploring the current HR sources of information that could help inform the project
- linking with existing visionary statements from the Vice-Chancellor
- engaging a broader cross-section of HR and senior staff.

The difficulties in positioning the project strategically within UNI encouraged the researcher to consult with peers to draw on a broader experience base. A series of meetings was held with a project team of five from within HRD’s Strategic Services Section, including staff from: Organisational Review and Development, Workforce Management, Academic Professional Development, Senior Staff Development and General Staff Development. This group put together a second draft Project Brief. The focus of the project had become more specific, with the brief addressing Organisational Capability. This brief identified a much stronger link with broader UNI goals.

The Project Plan of February 2001 stated:

The Capability Framework aligns with key capabilities underpinning delivery of Teaching and Learning, Research and Community Service strategies of the Vision Statement. These include, e.g, global perspective and community connectedness, personal/organisational development and continuous improvement, innovation and action commitment, recognition and reward of excellence, to name a few.

Relevant strategies of the guidelines particularly applicable to HR and to the Capability Framework are:

- ‘Develop a comprehensive work force plan that will closely align the deployment of our people with the objectives of our strategic plans’;
- ‘Foster a performance culture at UNI (A1.2 Table 5.1)
It had also become clear that the HR Director wanted HRD to propose a description of OC for consideration by senior staff. Although this proposal outlined the current sources of information within HRD, it had no defensible basis to propose capabilities.

The inadequacy of HRD’s knowledge of the UNI capabilities became obvious after a number of fruitless attempts to define the Core organisational capability (OC). The management literature did not provide guidance on how an organisation can define its OC; other organisations did not seem to base their methodology on any defined theoretical approach that would be acceptable to UNI’s senior managers. Overall the HR group had four unsuccessful attempts to identify their capabilities. These attempts failed to satisfy the HR Director as they were based on the views of a small group of HRD staff, indeed, the fact that they were redrafted four times, still without acceptance, highlights their lack of credibility within HRD.

Firstly, the HRD Strategic Services team in February 2001, reflected on the HRD knowledge and identified five categories:

- resource management
- environment and contextual awareness
- communication and leadership
- learning and innovative workplace
- organisational structure and culture.

The group then worked in pairs to develop definitions, shifts in perspective required, people implications, place in the organisation, process objective and partners needed to achieve capability. The process for their identification is clearly reflected in an email to ADSS from the researcher in February 2001:

We have looked at our collective data today and identified 5 initial work force capabilities that reflect the focus and interest of our collective clients and information (A1.3 Table 5.1).

The second attempt was when the HRD Executive looked to change their defined capabilities according to their view of what UNI should be, with each iteration reflecting the personal views of the latest editorial changes. The ADSS outlined his ‘New Breed Staff Capabilities’ at a senior staff development program (A1.4 Table 5.1) suggesting twelve capabilities (knowledge management, entrepreneurship, intrapreneurship, commercial business skills, client services systems, diversity management, innovation/flexibility in teaching and learning, research activity, whole
of UNI perspective, performance-based approach to work, planning for outcomes, managing change). These reflected his view, but had no defensible origin.

In a third attempt, the HRD group was asked to simplify the listing from the ADSS’s view. The earlier competencies were then regrouped, to reduce overlap and provide more description, resulting in six capability groupings (A1.5 Table 5.1):

- recognition of the value of staff
- innovative and creative perspective
- collaborative and strategic thinking
- team players
- information integrators
- service focus.

However, these six capability groupings also lacked any defendable rigour, as they were based on the opinions on the HRD team and could just as easily be grouped differently by another team. They continued to be redefined and redefined.

The fourth and final attempt in late March 2001, looked in more detail at the information sources HRD had from leadership profiles and staff satisfaction surveys, and identified eighteen capabilities (A1.6 Table 5.1). This fourth attempt was the first that based the capabilities of UNI on objective data. These more objective sources of information had been identified earlier in the February Project Plan (A1.2) their relevance to the project being described as follows:

*Quality Leadership Profile (QLP) review, 2000:*

The process of review of the QLP instrument carried out in 2000 distilled key capabilities of senior managers’ roles as viewed by a representation of UNI’s senior staff from both academic and general ranks. The rigorous item development process and statistically validated factor structure identified the following aspects as key:

- Staff Interaction and Motivation (Staff Development, Consultative Management, Creating a Team Environment);
- Strategic and Operational Management (Managing Systems and Processes, Making Decisions, Fostering Innovation and Change);
- Client and Community Focus (Client Focus, Community Outreach) and
- Academic Leadership.

*Senior Management Development Program (SDP) feedback 1994-1999 and post-review in 2000:*

In addition, a rich source of perceived developmental priorities is drawn from aggregated results of ‘360-degree’ feedback surveys undertaken since 1994, using the
revised instrument. The resultant picture of leadership practice continues to inform the content of the Senior Management Development Program with the highest priorities being:

- Consultative management,
- Creating action,
- Teamwork skills,
- Vision and direction, and
- Development of self and others.

The Employee Opinion Survey:
A comprehensive survey of staff views on a range of issues affecting their work suggests *inter-alia* some very specific (if somewhat subjective) insights into skills and attributes seen as key and worthy of support and development. The core areas which have the most influence on staff satisfaction, and negative perceptions at significantly unhealthy levels, were as follows:

- Recognition
- UNI Management
- Organisational Efficiency
- Communication (*A1.2 Table 5.1*)

The series of attempts to define UNI’s Core OC in Phase One are summarised in Table 5.2. and shows no evolution or progression of thought.

In an attempt to clarify the direction of the project, a more detailed analysis of the literature was conducted, and more information collected on the experience of other organisations (*A1.17 Table 5.1*). At this stage, the project was not being guided by any conceptual model, although the goal for a capability framework was established. Obviously how the goal related to HRD’s current understanding of UNI was not clear. HRD had no mental map of how they related to the strategic intent of UNI. The Organisational Structures Domain suggested in the Model of Organisational Capability (MOC) (*Figure 3.6*), was not innately understood by the HR Director or ADSS, due to this being a relatively new area in HR research.

The project brief was again reviewed (*A1.8 Table 5.1*). This version positioned the identification of Core OC as part of the corporate workforce planning project. The corporate workforce planning project was being developed in parallel with a time horizon of five years, and proposed implications for HRD processes and systems such as recruitment, selection and development. The revised plan still assumed that HRD would provide the initial draft, which would be restricted to ‘human capabilities’. At this stage the project brief was focused on Workforce Capabilities (WFC), a title that would continue throughout the project.
Table 5.2: UNI’s evolving capability framework - Phase One

<table>
<thead>
<tr>
<th>HRD capabilities project team</th>
<th>ADSS perspective</th>
<th>Desire to simplify</th>
<th>29-Mar 01 EOS, QLP, SDP information</th>
</tr>
</thead>
<tbody>
<tr>
<td>resource management</td>
<td>knowledge mgmt</td>
<td>recognition of the value of staff</td>
<td>performance focus</td>
</tr>
<tr>
<td>environment and contextual awareness</td>
<td>entrepreneurship</td>
<td>innovative and creative perspective</td>
<td>feedback</td>
</tr>
<tr>
<td>communication and leadership</td>
<td>intrapreneurship</td>
<td>collaborative and strategic thinking</td>
<td>teams</td>
</tr>
<tr>
<td>learning and innovative workplace</td>
<td>commercial business skills</td>
<td>team players</td>
<td>incentives</td>
</tr>
<tr>
<td>organisational structure and culture</td>
<td>client service systems</td>
<td>information integrators</td>
<td>co-operation</td>
</tr>
<tr>
<td>diversity mgmt</td>
<td>service focused</td>
<td>decision making</td>
<td></td>
</tr>
<tr>
<td>innovative/flexible teaching and learning</td>
<td>communication</td>
<td></td>
<td></td>
</tr>
<tr>
<td>research activity</td>
<td>staff development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>whole of UNI perspective, performance-based approach to work</td>
<td>team performance</td>
<td>efficiency</td>
<td></td>
</tr>
<tr>
<td>planning for outcomes</td>
<td>making decisions</td>
<td></td>
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<tr>
<td>managing change</td>
<td>vision</td>
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<td></td>
<td>community outreach</td>
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<tr>
<td></td>
<td>academic leadership</td>
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<td></td>
<td>information and technology literacy</td>
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<td></td>
<td>university ‘know how’</td>
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<td></td>
<td>quality of service to clients</td>
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<td></td>
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<tr>
<td></td>
<td>effective people and performance mgmt skills</td>
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</tbody>
</table>

5.1.2 Learnings
The frameworks developed in Phase One were essentially discarded. The main outcome from Phase One was the acceptance that the self-referential approach of Phase One was unacceptable to Human Resources Department (HRD) and UNI. The staff satisfaction survey and leadership profiles were used in the next phase of the research, but the method of analysis saw the project drawing on a substantially broader range of data sources.
As UNI continued to search for a capability framework, it seemed that there were endless ways of manipulating the data, and still more ways of defining the elusive capabilities. By April 2001 HRD had no agreed approach to defining its Core organisational capability (OC), although the Prahalad and Hamel (1990) (Section 3.3.2) criteria of capability had been accepted by the Associate Director Strategic Services (ADSS) as a useful way of looking at OC. At this stage the project brief had not defined whether the scope of the research would go beyond examining HR capabilities.

What was clear, was that this research needed to be sufficiently defensible to withstand critique from senior staff, whose views were critically important to the acceptance of the research. If HRD was going to use a capability framework to ground its processes and increase its strategic relevance, then the framework needed credibility. The months of redrafting had taught the researcher and the HR Director that HRD could not develop a capability agenda on its own, but had to involve others in a way that gave validity to the framework. For a university, this meant a reputable research methodology.

What is interesting about the capability framework that emerged in Phase One, is the lack of progression of thinking, as shown in Table 5.2. The self-referential nature of the early attempts is reflected by the strong focus on business-related capabilities. The first attempt does show strong acknowledgement of the learning context of UNI. The second attempt introduces capabilities directed towards developing alliances and focusing on the UNI customers, and the third attempt introduces innovative and technological support capabilities. The terms used in these attempts seem to focus on a mixture of UNI ‘hot topic’ areas, such as innovative/flexible teaching and learning, and solutions such as knowledge management. The final iteration in Phase One is the first attempt to develop a framework based on broader thinking than just the HRD reference group. The information came from an analysis of leadership profiles and staff views. This iteration overemphasised the business-orientated capabilities, due to the managerial focus of their source documents. Compared to the first iteration, the importance of the learning context appeared to be lost, reflecting the uncertainty of the scope of the project. This uncertainty would be redressed later in the research.
The Planning Phase was successful in the following ways:

- Involving a broad working group from within HRD enabled the project to benefit from perspectives across a range of HR disciplines.
- Leading the project from within HRD enabled it to be initially mapped against current HR initiatives, such as workforce planning.
- Consulting with other organisations that had explored similar issues made the researcher aware of the importance of senior managers’ sponsorship of the project. This caution prevented the project from progressing until an appropriate methodology was developed.
- The methodology for developing the framework needed to build on current understanding of UNI, such as the staff satisfaction and leadership profiles.
- Using project briefs as a means of communicating possible approaches helped to guide the project.
- Reviewing the literature and using Prahalad and Hamel’s (1990) definition of Core OC assisted with the engagement of the ADSS and HR Director.
- Investing time in the contracting phase assisted the project to be well positioned politically.

The Planning Phase revealed the following understandings:

- The methodology for developing the framework needed to be linked directly with the Model of Organisational Capability’s (MOC) Strategic Intent Domain, and engage opinion leaders beyond HRD across the broader UNI community.
- It was difficult for the HR Director to decide if the scope of the project should extend beyond the traditional HR people-management focus to include UNI’s broader operating context, such as teaching, research, customers and technology. This decision came after the contracting phase. If the broad implications of the project had been more readily understood at the contracting Phase, the uncertainty experienced in Phase One may have been reduced or avoided.
5.2 Phase Two: Define the Strategic Intent Domain – April to July 2001

The Phase One contracting processes concluded with a realisation that the framework developed by human resources department (HRD) needed to be replaced by broader conceptualisation and consultation. In Phase Two the focus moved from contracting the research approach, to initial attempts to define the Model of Organisational Capability’s (MOC) Strategic Intent Domain – Research Question One. This phase proved to be problematic. In Phase Two the project moved from the self-referential approach of Phase One, to seeking direction from UNI of evidence of its strategic intent. This would prove to be the basis of the final capability framework. In Phase Three this framework would be tested with UNI stakeholders and refined to develop ownership and acceptance by senior staff.

In Phase Two the project began to explore any evidence of UNI’s Strategic Intent Domain. The planning element of this phase prompted the researcher to discuss the project with an experienced organisational development academic outside of HRD, to address issues of senior staff support. The action element related to qualitative analysis of strategic plans, HR information sources and the future issues facing the tertiary education sector. The observation element related to packaging the analysis into a politically acceptable form that addressed current agendas within HRD. The reflection element produced a revised set of descriptors that HRD was prepared to promote to the Vice-Chancellor. Figure 5.3 outlines Phase Two.
Figure 5.3: Phase Two Plan-Act-Observe-Reflect Approach

The archival references for Phase Two are listed in Table 5.3. These documents are also cross-referenced in the Diary Log in Attachment Four.

Table 5.3: Phase Two Archival References

| A2.1 | Diary Log entry - 28 April 2001 |
| A2.2 | Project Brief - 22 May 2001 |
| A2.3 | Sources of Qualitative Analysis |
| A2.4 | Nud*st Analysis Nodal Tree - 4 July 2001 |
| A2.5 | Descriptions of Nodal Sub-Factors taken from Qualitative Documents - July 2001 |
| A2.6 | Email from ADSS to Teaching & Learning Director - July 2001 |

5.2.1 Description of Phase Two

On 28 April 2001 the Associate Director Strategic Services (ADSS) and the researcher met with an organisational development academic, a well-regarded researcher in both quantitative and qualitative methodologies to discuss the project.
This was the first time that the project had been discussed with a UNI staff member outside the human resources department (HRD). The meeting explored the scope of capabilities to be examined by the research and how the capabilities could be developed to ensure acceptance by senior staff. As detailed in the diary notes from that meeting on 28 April 2001:

Academic suggested we use a Delphi audit once we established a framework. A draft framework could be developed by looking at data and strategic plans, and then refined using focus groups. This could then be incorporated into a paper outlining how the capabilities could affect the senior staff, using them as the reference group (A2.1 Table 5.3).

Based on the meeting, a revised project plan was developed for the HR Director. The Project Plan of 22 May 2001 detailed the scope of the project and the outcomes as follows:

**Scope:**
To explore the perceived workforce capabilities (excluding those related to the teaching and research program) of academic, general and senior staff over the next five years.

**Outcomes:**
An outcome of the project would be the development of a shared understanding amongst the SSG of the workforce capabilities, to guide HR strategies, including recruitment, selection and development. (A2.2 Table 5.3)

This plan revisited the scope, providing a broader brief than earlier drafts “exploring the perceived workforce capabilities”, yet notably excluding the teaching and research programs. The methodology was more clearly defined. It suggested establishing a reference group of senior staff, and reviewing the strategic planning documents of UNI, to supplement the HR data already reviewed in Phase One. It also looked at developing capabilities for HRD client groupings of senior staff, middle managers, academic and general staff; these being the client groupings that were the basis of the HRD client relationships.

The acceptance of this project plan by the HR Director and the work that followed were to signal a new and important step for the research. The research now had an agreed methodology to establish the Core organisational capability (OC) that was based on thinking broader than the earlier self-referential approaches, and grounded on the strategic plans developed by senior staff themselves. The qualitative analysis that then followed began the initial work that would prove to be the basis of the final workforce capability framework.

*Leanne Margaret Gill*
Being part of a university provided added pressure for the research methodology of the project to be of a higher standard than would be expected in other organisations. Indeed proposing a research methodology to academics is a little like “selling ice to the Eskimos”. On the positive side, UNI had a ready supply of training in research methodologies and experienced researchers. The researcher attended training on a software qualitative analysis tool supported by UNI, called Nud*st\(^1\).

The UNI’s corporate strategic plans, key articles on the future of the tertiary education sector and HRD existing data sources were obtained as the basis of the qualitative analysis (A2.3 Table 5.3). The proposed method of analysis was for the researcher and the ADSS to read through the source documents independently to identify assumed capabilities, being the knowledge, skills and abilities of UNI that underpinned its plans and direction. By examining the raw data independently, and then comparing the common themes identified by the nodal trees generated by the Nud*st analysis, individual rater error would be avoided. Unfortunately, the ADSS did not undertake the independent analysis due to a lack of resources, and accepted the researcher’s nodal analysis. The resulting nodal tree identified four major clusters and 40 sub-factors in July 2001, as shown in Table 5.4.

\(^1\) Nud*st is a brand name for a qualitative data tool. The package assists in categorising and sorting qualitative data and with the identification of common themes. The software is based on nodal trees, allowing the researcher to sort the primary data into families, which facilitates easy categorisation of information.
Table 5.4: Nodal Tree from Qualitative Analysis

<table>
<thead>
<tr>
<th>Communication</th>
<th>External to UNI</th>
<th>Internal to UNI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Partnerships</td>
<td>Partnerships</td>
</tr>
<tr>
<td></td>
<td>Research Partnerships</td>
<td>Promotion</td>
</tr>
<tr>
<td></td>
<td>Promotion</td>
<td>Leadership</td>
</tr>
<tr>
<td>People Management</td>
<td>Performance Management</td>
<td>Equitable</td>
</tr>
<tr>
<td></td>
<td>Individual Performance</td>
<td>Customer Service</td>
</tr>
<tr>
<td></td>
<td>Performance Systems</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Performance Culture</td>
<td></td>
</tr>
<tr>
<td>Staff Development</td>
<td>Teaching and Learning</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Customer Service</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Equity and Cultural Diversity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>General Development</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Technology</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Leadership and Management</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Research</td>
<td></td>
</tr>
<tr>
<td>Recognition</td>
<td>Informal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Formal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Teams</td>
<td></td>
</tr>
<tr>
<td>Business Management</td>
<td>Strategic Management</td>
<td>Future directions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>planning</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Staff skills</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Financial base</td>
</tr>
<tr>
<td>Efficiency</td>
<td>UNI in general</td>
<td></td>
</tr>
<tr>
<td>Marketing</td>
<td>For research</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Funding from Research</td>
<td></td>
</tr>
<tr>
<td>Technology</td>
<td>Planning</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Decision Making</td>
<td></td>
</tr>
<tr>
<td>Teaching, Learning and Research Companions</td>
<td>Internationalization</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Flexible delivery</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Life long learning</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Innovative</td>
<td></td>
</tr>
</tbody>
</table>

The text from the source documents for the 40 sub-categories helped develop a clear understanding of the elements and sub-factors (Table 5.3 A2.5). These groupings then detailed the text from the source documents, giving specific dimensions that were reflected in the descriptors. This was the beginning of the first defensible capability framework of Core OC, as the Nud*st analysis provided a much broader perspective than earlier ‘HRD-centric’ analysis.
The four groupings (communication; people management; business management; and teaching, learning and research companions) did not reflect the political imperatives; indeed some of the sub-factors would need to be given higher status in the framework than the nodal tree might suggest. These groupings were therefore discarded. There was a degree of overlap, as the source documents were prepared for different agendas, and had used similar concepts in different ways. For example, teaching, learning and research companions were removed from the listing, as this was not an agenda that was politically acceptable for a HRD to champion. Another group within UNI was exploring this, as highlighted in an email in July 2001 from the ADSS to the Director of the Teaching and Learning Support Unit in July 2001.

The focus for the framework we have developed is work and organisational skills, and is intended to apply broadly to all staff. At the time of their development, it was acknowledged that academic capabilities relating to teaching and learning and research were beyond the brief for the work out of HR, but may need to be addressed later. I am delighted to hear that you are pressing ahead with this.

Currently, the draft set of employee capabilities form part of the University Workforce Plan though they have not as yet been completed. They are proposed to be relevant to all staff of the university as they were developed from university planning documents. (A2.6 Table 5.3)

The staff development focus was replaced by life-long learning, an agenda well accepted across UNI. These categories were then refined by HRD to produce the following listing and definitions of the fourteen elements of the Core organisational capability (OC):

Table 5.5: UNI Draft OC from Nud*st

| Information and Technology Literacy | Using and establishing information systems, providing information in an accurate, timely and detailed manner, incorporating on-line options, using new technology, establishing reporting procedures. |
| Advocacy                           | Building partnerships/joint projects/alliances with outside groups (government, industry, community, other universities) to share costs, attract funds, extend research, through partnerships, promotion and leadership. |
| Partnering                         | Building partnerships across faculties and divisions to exchange ideas, provide staff development, improve student services, extend multi-disciplinary programs, save costs, provide research opportunities, rationalise courses; though working together and exchanging information. |
| Commercial Attitude                | Demonstrated business acumen in financial management, technology transfer, intellectual property and commercial awareness to develop additional sources of “earned income” for new initiative/appointments/programs nationally and internationally. |
| Customer Service                   | Providing a focus on customer service. |

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<table>
<thead>
<tr>
<th>Integrating and Networking</th>
<th>Managing systems that provide high level technical and functional service levels, devolved authority, developing client databases (CRM), consulting with clients, making use of new technologies.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social responsibility</td>
<td>The development of an inclusive culture that promotes cross-cultural awareness, cultural diversity, inclusive programming, and consultation with disadvantaged groups.</td>
</tr>
<tr>
<td>Innovating</td>
<td>Bringing about innovation and enhancements to student learning experiences through using new technologies and system-based solutions.</td>
</tr>
<tr>
<td>Research Partnering</td>
<td>Developing collaborations with industry multi-disciplinary collaborations, improved performance in competitive grant applications, supervision, and research teams.</td>
</tr>
<tr>
<td>Results Orientated</td>
<td>Establishing a focus on performance of individuals and teams through transparent reward and recognition systems, developing a culture of positive reinforcement, promoting PPR, rewarding excellence, showing appreciation, allocating resources based on performance.</td>
</tr>
<tr>
<td>Business Planning</td>
<td>Ability to plan at project, business, and strategic levels, engage in scenario modelling, implement quality assurance mechanisms, employ analytical techniques, and make use of data.</td>
</tr>
<tr>
<td>Managing Change</td>
<td>Effectively plan and implement change in the workplace, respond to resource and people issues, enlist involvement, be consultative, delegate appropriate decision-making authority, and reach closure.</td>
</tr>
<tr>
<td>Promoting</td>
<td>Publicising and promoting community understanding of UNI programs and research capacity.</td>
</tr>
<tr>
<td>Life-long Learning</td>
<td>The priority given to the development of life-long learning in students and staff in work related skill and competencies, to equip them now and in the future.</td>
</tr>
</tbody>
</table>

To summarise, Table 5.6 shows the evolving nature of the development of the OC framework from Phase One to Phase Two. The framework from Phase One bears no clear relationship with the Phase Two terminology.
Table 5.6: UNIs evolving capability framework - Phase Two

<table>
<thead>
<tr>
<th>Phase One</th>
<th>Phase Two</th>
</tr>
</thead>
<tbody>
<tr>
<td>EOS, QLP, SDP information (from Table 5.2) 29-Mar</td>
<td>Nud*st Analysis of corporate plans, EOS results, SD, QLP (from Table 5.4) Jul-01</td>
</tr>
<tr>
<td>performance focus</td>
<td>external communication</td>
</tr>
<tr>
<td>feedback</td>
<td>internal communication</td>
</tr>
<tr>
<td>teams</td>
<td>performance management</td>
</tr>
<tr>
<td>incentives</td>
<td>culture</td>
</tr>
<tr>
<td>co-operation</td>
<td>staff development</td>
</tr>
<tr>
<td>decision making</td>
<td>recognition</td>
</tr>
<tr>
<td>communication</td>
<td>strategic management</td>
</tr>
<tr>
<td>staff development</td>
<td>efficiency</td>
</tr>
<tr>
<td>team performance</td>
<td>marketing</td>
</tr>
<tr>
<td>efficiency</td>
<td></td>
</tr>
<tr>
<td>making decisions</td>
<td>technology</td>
</tr>
<tr>
<td>vision</td>
<td>planning</td>
</tr>
<tr>
<td>community outreach</td>
<td>decision making</td>
</tr>
<tr>
<td>academic leadership</td>
<td>international teaching, learning and research</td>
</tr>
<tr>
<td>information and technology literacy</td>
<td>flexible delivery teaching, learning and research</td>
</tr>
<tr>
<td>university 'know how'</td>
<td>life-long learning teaching, learning and research</td>
</tr>
<tr>
<td>Quality of service to clients</td>
<td>innovative teaching, learning and research</td>
</tr>
<tr>
<td>effective people and performance mgmt skills</td>
<td></td>
</tr>
</tbody>
</table>

5.2.2 Learnings

Table 5.6 shows how the framework evolved during Phase Two. The framework changed dramatically from the last iteration in Phase One to the version arising from the benefit of qualitative analysis supported by Nud*st. The Phase One framework spoke in detail about people management behaviours – feedback, co-operation and decision making - whereas the qualitative analysis revealed a stronger focus on UNI outcomes – efficiency, recognition, and contextual outcomes, such as teaching, learning and research.
The richness of the descriptions comes from the text under the sub-factors, a quality missing in earlier HRD attempts to describe the capabilities. The breadth of the capabilities is much wider than earlier attempts, encompassing the full range of Core organisational capability (OC), rather than being restricted to the people management capabilities of earlier attempts.

The changes between the initial nodal tree and these fourteen elements of Core OC (and their definitions), reflects HRD’s perception of the priorities on the UNI agenda at the time. The version at the end of Phase Two saw all references to teaching, learning and research removed, in acknowledgement that this would not have been politically acceptable for a HRD-sponsored framework.

There was also a stronger focus on information technology capabilities, reflecting UNI’s positioning as a strong technologically-oriented university. Greater emphasis was placed on external stakeholders, due to the current focus on external image and funding.

HRD had much greater confidence in the new descriptors. The grounding of the descriptors in strategic planning documentation and visioning statements offered a richness that reduced the perceived risk to HRD of sharing the results outside of HRD. Indeed this draft provided the first accepted statement of the Strategic Intent Domain and addressed research question one (How do organisations define their strategic intent domain?) for UNI. What was needed now was to test and refine those statements.

The following successes were identified in Phase Two - Defining the Strategic Intent:

- Grounding the framework on the UNI strategic plans at faculty and divisional level gave HRD the confidence that they were correctly interpreting the Strategic Intent Domain, as they were able to draw on the language used by senior managers in their own planning documents.
- Incorporating HRD knowledge of UNI through the staff satisfaction surveys and leadership profile assessments enabled the framework to reflect the views of staff and management.
- Incorporating UNI vision statements and views on the future direction of the sector helped to broaden the framework to consider new and emerging issues across the sector.
• The researcher’s initial analysis of the plans gave HRD a defensible starting position to explore the framework with UNI senior managers.
• The Nud*st analysis provided a breadth of understanding of the emerging framework, enabling the definitions of each to add meaning.
• HRD’s understanding of UNI’s current strategic agendas enabled the revisions of the framework to reflect perceived priorities across UNI, making the project more appealing to senior staff.

The following understanding were revealed in Phase Two - Defining the Strategic Intent:
• The risk of rater bias was increased by having the qualitative analysis conducted solely by the researcher, without an independent assessment.
• Uncertainty regarding the framework’s jurisdiction over teaching and research made it difficult to determine if the capabilities should be described in terms of their university context.

5.3 Phase Three: Test Strategic Intent Domain – July to August 2001

In Phase Three, the Strategic Intent Domain as described by the qualitative analysis, is tested. This begins a process of engagement with senior staff that would be further developed in Phase Four. The P-A-O-R process in Phase Three mirrors the Policy Delphi technique as described in Section 4.4.

The planning element of Phase Three included identifying invitees to a cross-discipline workshop of senior staff to reshape the descriptors. The action element was the conduct of the workshops. The observation referred to the dynamics occurring at the workshops and the decisions made regarding the Workforce Capabilities Project. The reflection element was the review of the descriptors by the researcher, and the feedback process with attendees. This approach is represented in Figure 5.4.
Table 5.7 details the artefact documents that relate to this phase. These documents are also cross-referenced in the Diary Log in Attachment Three.

Table 5.7: Phase Three Archival Documents

| A3. 1: | Email from Researcher to Solicit Interest in Cross-Sectional Workshop - July 2001 |
| A3. 2: | Email to Cross-Sectional Workshop Participants from Researcher - July 2001 |
| A3. 3: | Draft UNI Staff Capabilities 2002-06, with Examples from Qualitative Analysis |
| A3. 4: | Cross-Sectional Workshop Session Plan and Overheads - July 2001 |
| A3. 5: | Email from ADSS seeking feedback from cross-sectional workshop participants on the revised descriptors, and a summary of the participant feedback - July 2001 |
| A3. 6: | Draft UNI staff capabilities 2002-06, post cross-sectional workshop - August 2001 |

5.3.1 Description of Phase Three

In July 2001 a cross-section of twelve influential senior staff were invited to a three-hour workshop to discuss UNI organisational capability. Invitees included a range of senior staff, such as:

- Pro-Vice Chancellors
- Registrar
- Deans
- Divisional Heads of HRD, Information Services and Finance.
The Policy Delphi Technique’s three rounds were applied, as described by van Dijk (1990) (Section 4.4). The first-round included the phone call by the researcher and an email in July 2001 to suitable senior staff to solicit their interest. The following extract from that email extends the invitation:

Further to our telephone conversation today.

ADSS and I are working on an initiative to identify a set of key staff capabilities as part of HR's development of a draft University Workforce Plan for submission to VCAC at its planning retreat in late July. I am seeking your input to an early phase of this project. (A3.1 Table 5.7)

The second-round involved the cross-sectional focus group on 10 July 2001. An email was sent to participants by the researcher providing draft statements from the qualitative analysis, as reflected in the following comments from the email:

The purpose of tomorrow is to review the capabilities which underpin UNI’s ability to achieve the outcomes detailed in the Mission Statement, corporate plans and faculty and divisional plans over the next 5 years.

I have attached a list of draft statements that are the result of a qualitative analysis of UNI’s planning document, and a number of articles that outline possible future directions for UNI and the sector. If you have a chance to read through these beforehand, and make any notes would be helpful. (A3.2 Table 5.7)

The third and final round involved emailing the results from the focus group to participants to reach consensus on the outcomes of the focus group. Once the feedback from the workshop was incorporated into the framework, an email was sent to all participants on 13 July 2001 seeking their comments on the draft definitions, as reflected in the following extract:

Since the workshop, we have documented the outcomes of the workshop, and developed a draft Capabilities framework which is attached. ....Each of the capabilities has been assigned a label which we felt best reflected the nature of the group’s discussions, and the definitions have been refined based on your comments and their groupings. We seek your input on their appropriateness. (A3.5 Table 5.7)

The results of this third-round are detailed in Table 5.8, which provides the draft definitions for each element of the Core OC, and samples from the Nud*st analysis undertaken in Phase Two. For example, the capability defined as 'managing change' was drawn from four different sources:

- the fourth objective in the strategic plan of the Planning and Research Division
- a challenge identified in the tertiary education sector literature
- a desirable quality from the HRD leadership profile
- the 1999 staff satisfaction survey results.
The essence of these sources was reflected in the definition given for ‘managing change’. This approach gives the definition the advantage of triangulation by having the Core OC elements identified by several different sources.

**Table 5.8: Sample of Core OC elements definitions and source document references**

<table>
<thead>
<tr>
<th>Innovating</th>
<th>Bring about innovation and enhancements to student learning experiences through using new technologies and system-based solutions.</th>
</tr>
</thead>
<tbody>
<tr>
<td>• UNI Mission</td>
<td>Crucial to the achievements of this vision will be the creative use of technology.</td>
</tr>
<tr>
<td>• UNI Mission – TandL</td>
<td>UNI has gained a national reputation for the innovation in teaching, particularly in using technology in creative ways.</td>
</tr>
<tr>
<td>• UNI Mission – Human and Physical Resources</td>
<td>UNI has been a leader among Australian universities in using information technology to provide innovative learning opportunities and services to students</td>
</tr>
<tr>
<td>Research Partnering</td>
<td>Developing collaborations with industry and across disciplines.</td>
</tr>
<tr>
<td>• Mission - Research</td>
<td>Improving performance in competitive grant applications, supervision, and research teams.</td>
</tr>
<tr>
<td>• Community Service – St 1.1</td>
<td>Attract increased funding by improving performance in competitive research grant schemes, particularly those involving close collaboration with industry.</td>
</tr>
<tr>
<td>• IT – St 2.2</td>
<td>Encourage partnerships and develop joint research, consulting and service projects with national and international universities, organisations, companies and community groups.</td>
</tr>
<tr>
<td>• Promote collaborative research with other universities, faculties, industry the professions and end users both nationally and internationally.</td>
<td></td>
</tr>
<tr>
<td>Managing Change</td>
<td>Effectively plan and implement change in the workplace by:</td>
</tr>
<tr>
<td>• PandR - Obj 4</td>
<td>Responding to resource and people issues,</td>
</tr>
<tr>
<td>• Higher Ed – challenges</td>
<td>Enlisting involvement and consultation,</td>
</tr>
<tr>
<td>• QLP</td>
<td>Delegating appropriate decision-making authority, and</td>
</tr>
<tr>
<td>• EOS 99</td>
<td>Reaching closure.</td>
</tr>
<tr>
<td>PandR - Obj 4</td>
<td>Refine work practices and systems in order to shift from an operational to a strategic/analytical focus.</td>
</tr>
<tr>
<td>Higher Ed – challenges</td>
<td>It needs to enhance its capacity to develop and refine policies in the face of ongoing change. Securing the ownership and engagement in an environment of change and increasing pressure to perform will be a significant challenge in coming years.</td>
</tr>
<tr>
<td>QLP</td>
<td>Strategic and Operational Management (Managing Systems and processes, making decisions, fostering innovation and change)</td>
</tr>
<tr>
<td>EOS 99</td>
<td>There is a need for greater consultation and transparency of decision making, but avoiding the paralysis of communities which is a problem in some areas.</td>
</tr>
</tbody>
</table>
Social responsibility
Contributing to an inclusive culture of:
- Cross-cultural awareness
- Cultural diversity
- Inclusive programming, and
- Consultation with disadvantaged groups.

- Law Ob 4
- Equity St 3.2
- DAS St 2.5

Develop effective and inclusive management and leadership throughout the Faculty and promote and support equity and the development of staff and the satisfaction they receive from their work.

Promote cultural diversity and anti-racism in the University community.

Infuse equity philosophies, practices and responsibilities into all aspects of University activities.

The workshop’s session plan (A3.4 Table 5.7) stated that the objective of the workshop was to “To develop a workforce capability framework for UNI”. As is often the case with workshops, the stated objectives were too ambitious for the group. The group was interested in the concept of organisational capability and the fourteen presented elements from Phase Two. The group demonstrated their energy for the task by engaging with the fourteen elements, by combining some and then grouping them into four clusters. The workshop was considered a success due to the clear engagement and energy of the group, and the HR Director’s championing of the project. The scope of the project was again discussed by the group, and it was seen as important to include the research and teaching agenda within the framework.

The major outcome of the workshop was the identification of four clusters, as noted in an email on 13 July from ADSS to participants:

Since the workshop, we have documented the outcomes of the workshop, and developed a draft Capabilities framework.... This framework reflects the four main groups which emerged on Tuesday (Focusing on Clients, Applying Technology, Being Business Like and Building Alliances). (3.5 Table 5.7)

As a result of the Policy Delphi third-round, the fourteen elements were simplified to thirteen, with ‘partnering’ and ‘research partnering’ being merged. Feedback was received from seven participants and summarised. Comments from a senior strategic planner revealed the extent of overlap:

Should the ‘research partnering’ be that narrowly defined, or could it just be ‘partnering’ to accommodate all sorts of other arrangements, including those in teaching and learning” (A3.5 Table 5.7).

Feedback from participants supported seeking endorsement from UNI executive management. The Registrar commented:
If we could achieve these four major agendas we might have a not-bad university to work in (A3.5 Table 5.7).

The four clusters identified at the workshop were placed in the center of the new framework by the researcher, with the revised thirteen elements (A3.6 Table 5.7) in the outer circle, as shown in Figure 5.5.

**Figure 5.5: Initial Capability Framework from July 2001 Workshop**

The identified elements remained the same. Table 5.9 compares a sample of the descriptors and indicates the fine tuning that occurred. For example, the definitions of the elements of ‘innovating’ and ‘managing change’ remained unchanged, and ‘research partnering’ and ‘social responsibility’ experienced only minor wording changes.
Table 5.9: Fine tuning of definitions from cross-sectional workshop

*Changes to wording in bold italics*

<table>
<thead>
<tr>
<th>Elements of Core OC</th>
<th>Definitions before workshop (A3.3)</th>
<th>Definitions after workshop (A3.5)</th>
<th>Definitions after Feedback (A3.6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovating</td>
<td>Bring about innovation and enhancements to student learning experiences through using new technologies and system-based solutions</td>
<td>Bring about innovation and enhancements to student learning experiences through using new technologies and system-based solutions</td>
<td>Bring about innovation and enhancements to student learning experiences through using new technologies and system-based solutions</td>
</tr>
<tr>
<td>Research Partnering</td>
<td>• Developing collaboration with industry and across disciplines. • Improving performance in competitive grant applications, supervision, and research teams.</td>
<td>• Developing multi-disciplinary collaborations with industry • Improving performance in competitive grant applications, supervision, and research teams.</td>
<td>• Developing collaborations with industry across disciplines • Improving performance in competitive grant applications, supervision, and research teams.</td>
</tr>
<tr>
<td>Managing Change</td>
<td>Effectively plan and implement change in the workplace by: • Responding to resource and people issues, • Enlisting involvement and consultation, • Delegating appropriate decision-making authority, and • Reaching closure</td>
<td>Effectively plan and implement change in the workplace by: • Responding to resource and people issues, • Enlisting involvement and consultation, • Delegating appropriate decision-making authority, and • Reaching closure</td>
<td>Effectively plan and implement change in the workplace by: • Responding to resource and people issues, • Enlisting involvement and consultation, • Delegating appropriate decision-making authority, and • Reaching closure</td>
</tr>
<tr>
<td>Social Responsibility</td>
<td>Contributing to an inclusive culture of: • Cross-cultural awareness • Cultural diversity • Inclusive programming, and • Consultation with disadvantaged groups.</td>
<td>The development of an inclusive culture that promotes: • Cross-cultural awareness • Cultural diversity • Inclusive programming, and • Consultation with disadvantaged groups.</td>
<td>Contributing to an inclusive culture of: • Cross-cultural awareness • Cultural diversity • Inclusive programming, and • Consultation with disadvantaged groups.</td>
</tr>
</tbody>
</table>
The researcher and the ADSS agreed after the workshop that would both independently revise the descriptors in line with the workshop discussion, to avoid rater bias. As was the case with the Nud*st analysis, this did not occur due to a lack of available resources, and the researcher’s analysis was merely reviewed by the ADSS.

The framework was reworked into a more professional graphic and included in the UNI 2001 Workforce Plan, as shown in Figure 5.6. Inclusion of the framework in a public UNI document demonstrated the commitment of HRD and UNI senior managers to the project.

Figure 5.6: Extract from UNI 2001 Workforce Plan (UNI, 2001)

To summarise the changes in the framework from Phase Two to Phase Three: the fourteen elements from Phase Two were refined to thirteen by merging ‘partnering’ and ‘research partnering’; and four clusters were identified, as shown in Table 5.10.
Table 5.10: Definition changes in Phase Three

<table>
<thead>
<tr>
<th>Phase Two</th>
<th>Phase Three Clusters Identified from cross-sectional workshop (from Figure 5.5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second order items HRD Refinement (from Table 5.6)</td>
<td></td>
</tr>
<tr>
<td>customer service</td>
<td>Focusing on Clients</td>
</tr>
<tr>
<td>social responsibility</td>
<td></td>
</tr>
<tr>
<td>life-long learning</td>
<td></td>
</tr>
<tr>
<td>information and technology literacy</td>
<td></td>
</tr>
<tr>
<td>integrating and networking</td>
<td>Applying Technology</td>
</tr>
<tr>
<td>innovating</td>
<td></td>
</tr>
<tr>
<td>commercial attitude</td>
<td>Being Business Like</td>
</tr>
<tr>
<td>results orientated</td>
<td></td>
</tr>
<tr>
<td>business planning</td>
<td></td>
</tr>
<tr>
<td>managing change</td>
<td></td>
</tr>
<tr>
<td>promoting</td>
<td>Building Alliances</td>
</tr>
<tr>
<td>advocacy</td>
<td></td>
</tr>
<tr>
<td>research partnering</td>
<td></td>
</tr>
<tr>
<td>partnering (merged in Phase Three with 'research partnering')</td>
<td></td>
</tr>
</tbody>
</table>

5.3.2 Learnings
The three-round Policy Delphi Technique (Section 4.4) was used to gain involvement and achieve consensus. The cross-sectional workshop provided the first forum for senior staff to discuss UNI’s core organisational capability (OC). The group clearly engaged with the initial draft descriptors, which had obvious face validity for them. This was not surprising since the terminology was taken directly from planning documents that they had prepared.

Even though there was some editing and re-grouping of elements, there was a strong degree of consensus amongst those who attended the cross-sectional workshop. The broader focus beyond people management issues began to give the framework strategic relevance, with calls from senior researchers attending the workshop to broaden the brief to include the teaching and research agenda. One of the participants commented in his feedback (A3.5 Table 5.7):
Find it a little disconcerting that teaching and learning and research are specifically excluded, given that the activities here attempts to provide a framework of work and organisational skills that applies broadly to all staff. There was indeed increasing support for the research to return to a broader scope, to include the teaching and research capabilities.

UNI had effectively defined the Model of Organisational Capability’s (MOCs) Strategic Intent Domain. The identification of the nodal tree from Phase Two provided the cross-sectional group with a confident base to identify the four groupings that reflected their view on ‘who UNI was’. The clusters therefore defined the MOC’s Strategic Intent of UNI (Section 3.2.1) – focusing on clients, applying technology, being business-like and building alliance – which is graphically represented in Figure 5.7.

**Figure 5.7: UNI’s Strategic Intent Domain**

![Diagram of UNI's Strategic Intent Domain]

To some extent, identification of the Strategic Intent had met the initial requirements of the human resources department (HRD). However, to address Research Question Two, *How do organisations define their Core organisational capability (OC)??*, the framework needed greater definition to enable it to be linked with the Organisational Structures and Individual Domains from the MOC.

During Phase Four a logic would emerge regarding the relative position of the clusters in the model and the elements within each cluster, as well as a more detailed description of each element. Having now produced this overarching framework, the next step would need to ensure that the framework was robust and descriptive enough to link with the MOC’s Domains of the Organisational Structure and the Individual.
The following successes were identified in Phase Three - Testing the Strategic Intent:

- A cross-sectional workshop of senior opinion leaders enabled HRD to test the thinking behind the project, with the support from the group giving HRD greater confidence to broaden the scope to include teaching and learning, and seek senior leaders’ support.
- The qualitative analysis conducted before the workshop made HRD look professional and aware of the issues.
- The consultative approach and use of the Policy Delphi Technique helped senior managers feel part of the project and reach consensus.
- Grouping the capabilities into four clusters helped to make the approach look simpler and more accessible.

The following understanding was revealed in Phase Three - Testing the Strategic Intent:

- Single rater error could have been reduced had another rater been made available.

5.4 Phase Four: Define Core OC August 2001 to April 2002

Phase Four focuses on Research Question Two, “How do organisations define their Core organisational capability?” As in Phase Three, the P-A-O-R cycle in Phase Four mirrors the Policy Delphi Approach outlined in Section 4.4. The planning element in Phase Four related to identifying the future of the workforce capability (WFC) project and the extent of definition needed for each of the descriptors. The action was to conduct eight discipline-specific workshops with content experts to refine the descriptors. The observation referred to how participants responded to the workshops and the WFC project agenda. The reflection was the redrafting of the descriptors and the feedback process with workshop attendees. The approach is graphically represented in Figure 5.8, and archival documentation is listed in Table 5.11.
Figure 5.8: Phase Four P-A-O-R Approach

12 R (from Phase Three)

16 Reflect
Redefine Core OC levels

13 Plan
Identify extent of detail required in defining the Core OC

Research Question 2
How do organisations define their Core OC?

15 Observe
How expert focus groups respond to descriptions of defined Core OC

14 Act
Conduct 8 expert focus groups

Table 5.11: Phase Four Archival Documentation

A4. 1: Email from ADSS to Researcher - Confirming the need to Proceed to Contextualise the Capabilities - 10 August 2001
A4. 2: Position Description Analysis of General Staff Postions – Selection Item Bank Project - September 2001
A4. 3: Email Invitation from Faculty of Engineering - Student Capability Information Session - August 2001
A4. 4: Diary Log Entry - September 2001
A4. 5: Emails between Researcher and Educatiofnalist - Re-ordering of Capability Framework - November 2001
A4. 6: Email from Researcher to ADSS - Engagement of Senior Staff Group – December 2001
A4. 7: Proposal to Vice-Chancellor's Advisory Group - Proposal for Expert Focus Groups - January 2002
A4. 8: Email from Researcher - Invitation to Focus Groups - February 2002
A4. 9: Draft Capabilities - Defined at Four Levels - Based on Selection Item Bank and Nodal Descriptors - February 2002
A4. 10: Email from Researcher to Expert Focus Group Participants - Seeking Feedback on Definitions and Descriptors
A4. 11: Emails from Focus Group Participants to Researcher and ADSS - Providing Feedback on Definitions of Sub-factors & Revised Framework - March 2002
A4. 12: Revised Definitions & Sub-factor Descriptors - Post Expert Focus Group Feedback & Consultation - April 2002

5.4.1 Description of Phase Four

This Phase proved to be critical to embedding the Core organisational capability (OC). The work done during this Phase developed the OC in a way that would

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support the integration and alignment of the existing human resource (HR) systems with the Strategic Intent Domain from Phase Three. As such, Phase Four provided sufficient definition in the framework to support the development of the Model of Organisational Capability’s (MOC) Job Context Enablers, Organisational Systems Enablers and Knowledge Networks Enablers.

The Strategic Intent of UNI from Phase Three had been identified as the four clusters – applying technology, building alliances, being business-like and focusing on clients (Figure 5.7). Questions were again raised, as they had previously been raised in Phase One, regarding the ‘desired outcomes of the project’. The nature of the application of the four clusters would shape the future direction of the project. At this stage the descriptors of the elements of the OC were very broad statements, too broad to relate to the initially agreed HR agenda of informing learning and development programs or selection criteria. There was disagreement within HRD as to whether or not they needed to be more clearly defined, or if they could be useful in their current state.

It became obvious that the Associate Director Strategic Services (ADSS) believed that what had been developed was sufficient. He saw advantages in their nebulous nature because they could be interpreted as people saw fit. The researcher’s review of the literature suggested that the element’s descriptors needed to be more fully developed, if UNI was to realise the full benefits of defining its Core OC. The ADSS and the researcher presented the two alternative views on the future of the WFC project to the HR Director, who decided that the descriptors needed to be further contextualized, as indicated in the email on 10 August from the ADSS to the Researcher:

> The [HR Director] has given the go-ahead for the next phase of Capabilities. Can we discuss this at our next meeting of how we can proceed with the contextualisation of the capabilities with the assistance of the Development people. (A4.1 Table 5.11)

Another strategic HRD initiative was occurring at the same time as the research. This parallel project mapped the existing focus of position descriptions, and helped to provide evidence of the need to align the workforce capabilities (WFC) framework to work positions. The Selection Item Bank Project involved examining 100 recent job descriptions of mid-level general staff positions, in order to develop an item bank of selection criteria and interview questions.
The purpose of the project was to assist HR advisors and clients in reviewing and developing selection criteria for position descriptions. The Selection Item Bank Project effectively mapped the existing focus of positions and helped map the MOC’s Organisational Structures and Individual Knowledge Domains. The Selection Item Bank Project was limited by its assumption that past competencies would be relevant for the future, with the focus on lower-level general staff positions. Nevertheless, the project did provide an understanding of the historical focus of such positions within UNI, and in September 2001 identified ten competencies in a standard format that related to the framework (A4.2 Table 5.11):

- equity
- client service
- strategic leadership
- leadership and supervision
- working independently
- planning and organizing
- problem solving
- project management
- working in a team
- computer literacy.

The Selection Item Bank Project’s competencies were mapped against the OC framework and are shown in Figure 5.9. What is interesting in Figure 5.9 is that this mapping revealed that the focus of previous position descriptions had been in the ‘Being Business-Like’ cluster, with limited attention to the other three clusters. The overlay of the Selection Item Bank Project’s ten outcomes (shown in italics) effectively shows the lack of intersection between the MOC’s Organisational Structures and Strategic Intent Domains. This comparison identified:

- The gaps in HRD’s traditional focus, which helped keep the WFC project on the HR agenda.
- The operational benefits to be derived from the WFC project, which secured more widespread support for the project within HRD.
Figure 5.9: Initial Capability Framework and Mapping of Position Descriptions

- Equity
- Life-long Learning
- Information and Technology Literacy
- Integrating and Networking
- Innovating
- Advocacy
- Research
- Working in a Team
- Computer Literacy

- Client Service
- Business Planning
- Business Like
- Building Alliances
- Being Business Like
- Focusing on Clients

- Strategic Leadership
- Commercial Attitude
- Customer Service
- Results Orientated

- Leadership and Supervision
- Business Planning
- Managing Change
- Promoting

- Working Independently
- Planning and Organising

- Problem Solving
- Project Management

[Selection Item Bank Criteria]
Beyond HRD, another initiative that would provide support to the WFC research was progressing in parallel. In September 2001 the Faculty of Engineering conducted a presentation on Student Capabilities (A4.3 Table 5.11). From this presentation it was obvious that UNI’s academics had developed a competency approach for students in their teaching programs. The diary notes of September 2001 suggest the potential linkages of the agendas:

Link with other Capabilities work being done for students identified potential for data base to capture Strategic Capabilities. Realised potential to piggy-back on corporate familiarity with approach and language and software identified, their approach had each capability further defined in terms of four levels of skills – student capability very much a true competence model. (A4.4 Table 5.11)

On 8 October 2001 the Researcher met with a senior educational researcher from the Teaching and Learning Support area, who had worked with the Engineering Faculty. The educationalist suggested applying the performance and knowledge taxonomies of Biggs and Collis (1982) and Perry (1975) (Section 2.4.1) to provide a consistent way of describing evolving knowledge and performance levels. Many academics were already familiar with these taxonomies, as a number of faculties had applied this approach to their teaching programs, providing added cultural support for this approach. These taxonomies would be adopted in the expert focus groups held later in Phase Four.

The educationalist also suggested re-ordering the capabilities according to Biglan’s Framework of Discipline Orientation (Biglan, 1973). The email from the educationalist to the Researcher stated:

I've had a look at the circular model in relation to that research literature I mentioned last time…….Having looked at what you've come up with I reckon we could map these dimensions and people types on to your model by just re-organising the order things go round the circle. (A4.5 Table 5.11)

Biglan (1973) identified a two-dimensional model. The horizontal axis defines disciplines on a continuum from ‘reflective’ to ‘active’, and the vertical axis defines disciplines on a continuum from ‘concrete’ to ‘abstract’. These orientations were also supported by the learning styles suggested by Kolb (1981) – ‘assimilators’, ‘divergers’, ‘convergers’ and ‘accommodators’. Biglan’s Framework has been well supported in the literature by studies by Whitmire (2002), Becher and Trowler (2001) and Braxton and Hargens (1996). Figure 5.10 graphically shows the Biglan continua and Kolb’s learning styles.

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Figure 5.10: Biglan’s Orientation of Disciplines (1973) and Kolb’s Learning Styles (1981)

This Orientation of Disciplines was applied to the OC Framework as shown in Figure 5.11. Figure 5.12 shows the substantial reordering of the four groupings. Interestingly, the order within each cluster remained unchanged. The new ordering gave a sense of logical progression to the capabilities within the framework.

A logic to the relative position of the elements within the framework became important as they were further defined. Indeed, the labels of the elements suggested a distinction that was artificial, as a number of them could have been in either cluster. For example 'Innovating' can be about 'Applying Technology', but is also important for 'Customer Service'. In the revised order, this similarity is apparent in the placement of the element 'Innovating'. In the earlier version, Innovating was between 'Alliances', a less important linkage. The graphical representation of the framework was also about to change, in an attempt to reflect the more fluid nature of the categorisation of the elements.
Figure 5.11: UNI OC Regrouped - Biglan's Orientation of Academic Fields and Kolb's Learning Styles

Kolb’s learning styles in italics
Figure 5.12: Comparison of Frameworks resulting from applying Biglan and Kolb's approaches


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Having achieved a logical order of the elements of the Core OC and a mapping with the existing position descriptions, the next step was to further develop the model by identifying second-order items.

The WFC Framework, with draft second-order items, is presented in Figure 5.13. This was developed by the Researcher by drawing on:

- Selection Item Bank Project outcomes (A4.2 Table 5.11)
- nud*st nodal descriptors (Table 5.4)
- Biggs and Collis’ (1982) Levels of Performance (Section 2.4.1).

**Figure 5.13: UNIs Second-Order Workforce Capability Framework**

The new framework shows a dramatic change from the earlier version. The process of defining the second-order items resulted in a further reordering of the elements, with the following changes to each of the four groupings:
• Building Alliances
  The position of ‘Research Partnering’ and ‘Advocacy’ changed, as ‘Research Partnering’ was seen as more closely aligned to the ‘Being Business-like’ cluster.

• Applying Technology
  ‘Information and Technology Literacy’ swapped with ‘Integrating and Networking’, as the later related more closely to ‘Being Business-like’ cluster.

• Being Business-like
  All elements moved position within the cluster. ‘Managing Change’ was moved closer to the ‘Building Alliances’ cluster and ‘Results Orientated’ moved closer to the ‘Applying Technology’ cluster.

• Focusing of Clients
  There were no changes in this cluster.

The thirteen elements had now been further defined in terms of twenty-five second order descriptors. The ‘Being Business-like’ cluster’s four elements now had the most descriptors (nine), whilst the ‘Applying Technology’ cluster’s three elements had the fewest descriptors (four). Visually, the model was now also very different; the hard lines had been replaced by a blending of colours to reflect the greater understanding of the fluid nature of the boundaries between the elements. The puzzle shape in the middle represented the power of synergy between the groupings.

Senior management’s endorsement became a critical issue. If the project had the sponsorship of the Vice-Chancellor’s Executive, then other members of senior managers would support the focus groups. An email from the researcher to ADSS in December 2001 proposed a presentation to the Vice-Chancellor’s Executive to gain affirmation of their support, as reflected in the following extract:

perhaps we could use a nominations process for the experts group as a means of getting broad input and communicating what we are doing with the UNI community.

We could ask [HR Director] to send an email to VCAC members (maybe even put it on the next VCAC agenda) outlining the purpose of the project and what [educationalist] and I are up to in these focus groups, and then asking VCAC members to nominate staff/themselves they feel may be able to make a valuable contribution. This would help to gain broader buy-in, and help to broaden the input from ‘Just the HR’ nominees. This would also be a more robust theoretical approach by reducing bias. (A4.6 Table 5.11)
A presentation was made to the Vice-Chancellor’s Executive by the Researcher, ADSS and HR Director in January 2002, seeking endorsement to conduct expert focus groups to develop the second-order items fully. The proposal from HR included the following request from the Vice-Chancellor’s Executive:

members are invited to self nominate or nominate staff whom they believe would be able to make a contribution to “Expert Groups” to help finalise and implement the Workforce Capabilities Framework. These groups will be asked to focus on the skills that underpin one of the four capabilities areas – “being business like”, “building alliances”, “applying technology” or “focusing on clients”. … Participants should have a solid understanding of the future directions and challenges facing their particular area. (A4.7 Table 5.11)

Approval was granted to conduct the expert focus groups. Six such groups were scheduled from 25 February to 4 March 2002, with an additional two focus groups subsequently being scheduled later in March to ensure more complete consultation. Sixty senior staff attended the two-hour workshops which each focused on one of the four groupings from the model developed by the cross-sectional focus group in Phase Three. Although senior management endorsement was a key factor to ensuring senior staff participation, it proved to be insufficient. The HRD Senior Management Group developer contacted all invitees personally to ensure their support for the focus groups. HRD staff were also invited to attend, to assist the Researcher to identify implementation issues (A4.8 Table 5.11).

The Policy Delphi Technique (van Dijk 1990) was used again as a means of reaching consensus across the eight focus groups and 60 participants. The workshops used Prahalad and Hamel’s (1990) criteria of workforce capability (Section 3.3.2). The researcher and ADSS also attempted to apply Perry’s four-level performance taxonomy (1975, 1981) (Section 2.4.1) to the thirteen elements of the core OC, to identify different levels of performance (A4.9 Table 5.11). A sample of the relevant worksheets is provided in Table 5.12. Participants in the workshop were asked to review the identified second-order items in their groupings, the definitions, and the four levels for each second-order item.
Participants worked in small groups, on items of interest to them, editing the worksheets. These worksheets were collected by the researcher at the end of each focus group. Two focus groups were held on each cluster, which ensured that each first-order item was examined in detail by two groups. Some participants found the workshops difficult at first, and the complexity of the task was certainly a barrier.

The researcher and ADSS identified a number of semantic differential rating scales where natural opposites are described (Neuman, 2004; Osgood, Suci, & Tannenbaum, 1957) to assist participants to consider the how the second-order items should be defined in terms of Perry's (1975) levels:

- Follows ------------------------------- Initiates
- Certainty------------------------- Uncertainty
- Defined------------------------ Undefined
- Simple------------------------ Complex
- Narrow------------------------ Broad
- Complying------------------------ Creating
- Operational---------------------- Strategic
- Convergent---------------------- Divergent
- Functional---------------------- Value Driven

Participants found these continua helpful. This supports Osgold’s et al. (1957) underlying assertion of the value of semantic differentials “that thinking in terms of
The revised framework and definitions were circulated to participants for comment. The following email was sent to participants from the researcher, outlining the consultation process, as indicated in the following extract:

You will find attached an updated version of the Capabilities Wheel and a refined version of the definitions and descriptors for your quadrant based on the ideas generated at the focus groups.

We have attempted to ensure that the definitions and descriptors remain true to the corporate planning documents, are as discrete as possible, inform their quadrant, and are as concise as possible without losing meaning.

I would appreciate any comments or suggestions. (A4.10 Table 5.11)

Only three of the participants provided written feedback; a senior librarian representative commented as follows:

The Information Literacy Capability is an accurate reflection of the skills we identified in the workshop. (A4.11 Table 5.11)

The definitions were revised after the consultation process (A4.12 Table 5.11). The Customer Service element example of the worksheets used in the workshop (Table 5.12) is revisited in Table 5.13 to demonstrate the benefit of the focus groups. A comparison of Table 5.12 and Table 5.13 shows that the workshop provided descriptions with a stronger leadership role at the fourth level, greater clarity of language, and more specific language such as ‘high technology/high touch solutions’. UNI's new OC framework is represented in Figure 5.14.
Table 5.13: Revised definitions from Expert Focus Group

<table>
<thead>
<tr>
<th>Elements</th>
<th>Skill</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customer Service:</strong> Providing a focus on customer service.</td>
<td><strong>Customer Focus:</strong> Provides an effective service to clients and customers. Commitment to quality and accurate client service. Provides friendly and courteous service and information. Meets and exceeds the expectations of clients. Provides service in a way that is sensitive to the diverse needs of clients. Meets specialist needs of clients. Takes ownership of client's issues. Resolves client needs and provides clear client outcomes. Manages and develops systems to assist others to provide an effective service to clients. Ensures systems provide an appropriate balance of high technology/high touch solutions. Reinforces UNI’s commitment to service to others by personal actions.</td>
</tr>
</tbody>
</table>
Figure 5.14: Capability Framework post Expert Focus Groups
The final definitions for the four clusters, and the thirteen elements and twenty-four second-order items of the OC framework are detailed in Table 5.14.

Table 5.14: Final Definitions of OC Framework’s Clusters, Elements and Second-Order Items

<table>
<thead>
<tr>
<th>Strategic Intent Domain Groupings</th>
<th>Core Organisational Capabilities</th>
<th>Second Order Items</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Building Alliances</strong>&lt;br&gt;Forging relationships that promote a whole of university focus</td>
<td><strong>Advancement</strong>: Builds internal and external relationships to the university.</td>
<td><strong>Alliances</strong>:&lt;br&gt;Develops alliances and partnerships with others.</td>
</tr>
<tr>
<td></td>
<td><strong>Research Partnering</strong>:&lt;br&gt;Develops collaborations with industry and across disciplines. Improves performance in competitive grant applications.</td>
<td><strong>Multidisciplinary Focus</strong>:&lt;br&gt;Works with others from different disciplines or professions.</td>
</tr>
<tr>
<td><strong>Being Business Like</strong>&lt;br&gt;Leading for outcomes</td>
<td><strong>Results Oriented</strong>:&lt;br&gt;Establishes a focus on performance and leads for outcomes.</td>
<td><strong>Promoting and Marketing</strong>:&lt;br&gt;Promotes community understanding of the University.</td>
</tr>
<tr>
<td></td>
<td><strong>Business Management</strong>:&lt;br&gt;Manages processes and systems to optimise outcomes using business practices.</td>
<td><strong>Collaborative Research</strong>:&lt;br&gt;Undertakes partnerships and joint research, consulting or service projects with other organisations</td>
</tr>
<tr>
<td></td>
<td><strong>Commercial Attitude</strong>:&lt;br&gt;Shows business acumen through skills in strategic, business and financial management.</td>
<td><strong>Research Funding</strong>:&lt;br&gt;Attracts and acquires increased funding in competitive research grant schemes.</td>
</tr>
<tr>
<td></td>
<td><strong>Managing Change</strong>:&lt;br&gt;Plans and implements changes in the workplace.</td>
<td><strong>Enabling Others</strong>:&lt;br&gt;Develops and promotes staff potential.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Performance Culture</strong>:&lt;br&gt;Promotes and supports productivity.</td>
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<tr>
<td></td>
<td></td>
<td><strong>Knowledge Management</strong>:&lt;br&gt;Develops processes to share, acquire, protect and create knowledge.</td>
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<tr>
<td></td>
<td></td>
<td><strong>Project Management</strong>:&lt;br&gt;Plans and organises projects.</td>
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<td></td>
<td></td>
<td><strong>Quality Assurance</strong>:&lt;br&gt;Assures the university’s fitness for purpose and duty of care requirements.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Commercial Focus</strong>:&lt;br&gt;Plans and implements for commercial outcomes.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Financial Management</strong>:&lt;br&gt;Manages financial resources for nett gain.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Strategic Development</strong>:&lt;br&gt;Initiates and develops projects for commercial return.</td>
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<td></td>
<td></td>
<td><strong>Creative Practices</strong>:&lt;br&gt;Manages change using innovative processes.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Readiness for Change</strong>:&lt;br&gt;Being open to changing situations.</td>
</tr>
<tr>
<td>Strategic Intent Domain Groupings</td>
<td>Core Organisational Capabilities</td>
<td>Second Order Capabilities</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>----------------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Focusing on Clients</td>
<td>Innovative Teaching: Provides students with the highest quality learning experiences.</td>
<td>Real-World Experience: Demonstrates appreciation of the value of an individual’s discipline/professional area in the real world.</td>
</tr>
<tr>
<td>Valuing and developing client relationships</td>
<td>Life Long Learning: Sees the priority of life-long learning in students and staff. Social Responsibility: Develops an inclusive culture that acknowledges and responds to the diverse needs of individuals. Customer Service: Providing a focus on customer service.</td>
<td>Scholarly Teaching: Demonstrates a scholarly approach to teaching practice</td>
</tr>
<tr>
<td>Applying Technology</td>
<td>Integrating Information: Develops and uses systems to integrate information that is accurate and timely, makes appropriate use of technology and services user requirements.</td>
<td>Focus on Development: Fostering student and staff skills and abilities as life-long learners and members of the UNI community.</td>
</tr>
<tr>
<td>Using technology to source information, network, integrate, communicate and innovate.</td>
<td>Creative Student Applications: Brings about innovation in student learning experiences and transactions by using new technologies and system-based solutions. Information and Technology Literacy: Uses technology to source information, manipulate data, process requests, communicate and access reporting tools. Uses technology to evaluate and systemise information into new forms of knowledge.</td>
<td>Acknowledging Diversity: Develops norms that acknowledge and accommodate the needs of all, regardless of gender, income level, race, sexuality, religion, age, fitness, or personal circumstances,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customer Focus: Provides an effective service to clients and customers.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Integrating Information: Integrates information from different sources.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Innovative Student Experiences: Is creative and innovative in the use of technologies in research, administration, teaching and learning, commercial applications.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Information Literacy: Uses technology to locate authoritative information sources, evaluates analyses and synthesises these to make decisions and add to knowledge. Technology Literacy: Uses computer technologies to perform tasks.</td>
</tr>
</tbody>
</table>
The expert focus groups were critical in refining the OC framework. The four clusters from the Strategic Invent Domain remained stable, but the process of defining the second-order items underneath these resulted in further revisions of the thirteen elements. An examination of Table 5.15 shows some significant refinement emerging from Phase Four, with twenty-four sub-factors identified:

- New elements such as ‘Innovative Teaching’ and ‘Creative Student Application’ emerged.
- ‘Advocacy’ and ‘Promotion’ merged to become ‘Advancement’.
- Name changes such as ‘Business Planning’ to ‘Business Management’, and ‘Integrating and Networking’ simplified into ‘Integrating’.

This process was invaluable. Senior staff discipline experts explored their own group of OC elements and identified what they saw as significant.

Table 5.15: Sub-factor Changes in Phase Four

<table>
<thead>
<tr>
<th>Phase Three elements (Table 5.10)</th>
<th>Prior Expert Focus Group</th>
<th>Phase Four Post Expert Focus Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Elements</td>
<td>Items</td>
</tr>
<tr>
<td>customer service</td>
<td>customer service</td>
<td>• service culture • customer focus</td>
</tr>
<tr>
<td>social responsibility</td>
<td>social responsibility</td>
<td>• equitable philosophies • inclusive culture</td>
</tr>
<tr>
<td>life-long learning</td>
<td>life long learning</td>
<td>• focus on development</td>
</tr>
<tr>
<td></td>
<td>Information and technology literacy</td>
<td>Technology literacy</td>
</tr>
<tr>
<td>integrating and networking</td>
<td>Integrating and networking</td>
<td>• Integrating information • Integrating networks</td>
</tr>
<tr>
<td>innovating</td>
<td>innovating</td>
<td>• Creative use of technology</td>
</tr>
<tr>
<td>commercial attitude</td>
<td>Commercial attitude</td>
<td>• strategic thinking • financial management</td>
</tr>
</tbody>
</table>
5.4.2 Learnings

As in Phase Three, the Policy Delphi Technique and focus groups provided a valuable mechanism for engagement by senior staff. Overwhelmingly the participants were enthusiastic and supportive of the project. This level of engagement by senior staff was crucial to the success of the workforce capabilities (WFC) project, as reinforced by concepts of successful learning (Schön, 2002). The concepts were complex and abstract, and required participants to engage with their areas of technical excellence in a new way. The four levels for describing their professional discipline were at first difficult for the participants, and although Perry’s model was helpful to the researcher and Associate Director Strategic Services (ADSS), it eluded most of the participants. Worked-up examples as starting points,
and identifying common continua using semantic differential rating scales, both helped reinforce Perry’s (1973) taxonomy.

Dividing the total framework into the four clusters, and having two focus groups on each cluster, was also helpful. This approach made the task of the workshops manageable, and enabled participants to concentrate on their own discipline areas, giving them greater confidence on a task that was substantially foreign to them. Some of the participants had previously applied competency thinking to their student programs, which was an advantage.

The UNI Model of Organisational Capability (MOC) was taking shape, as UNI explored Research Question Two (How do organisations define their Core organisational capability?) The mapping of the Selection Item Bank Project’s descriptors had revealed the inadequacies of many existing position descriptions in supporting the Strategic Intent Domain. The thirteen elements of the core organisational capability (OC) identified in Phase Four reflected the Strategic Intent Domain’s four groupings from Phase Two, and could now be used to provide the conduit between Strategic Intent, Organisational Structures and Individual Knowledge Domains. The descriptions of the twenty-four sub-factors from Phase Four provided the performance taxonomy to embed the Core OC in the Job Context and Organisation Systems and Knowledge Networks Enablers in Phase Five.

The following successes were identified in Phase Four - Define the Core OC:

• The Policy Delphi Technique and expert focus groups based on disciplines helped senior staff engage with the project, and shaped the WFC framework.
• Applying Biglan’s (1973) order to the framework made it more robust, as like-orientated elements were more closely aligned.
• Developing continua using semantic differentials assisted focus group participants to rate the elements and apply Perry’s (1975) taxonomy.
• Perry’s (1975) taxonomy of learning and performance enabled consistency between focus groups, and a more robust final model.
• The Selection Item Bank Project mapping helped highlight the historical inadequacies of position descriptions, and increased support for the WFC project.
• UNI’s learning agenda and the exposure of some academics to learning taxonomies helped them to relate these concepts to OC.
• Having two focus groups on each cluster helped to engender a broad perspective of the individual disciplines.

The following understandings were revealed in Phase Four - Define the Core OC:
• Kolb’s (1981) learning styles did not inform the project, other than providing support for Biglan’s (1973) discipline continua. These were never promoted by the researcher.
• The difficulties in specifying the nature of outcomes of the research in Phase One that reappeared in Phase Four could have prevented the project from developing the requisite level of definitions. Clearly the strategic nature of the project had not been fully understood by the ADSS in Phase One.

5.5 Phase Five: Define Priority Enablers – May 2002 to March 2003

The focus of the final Phase is exploring Research Question Three – How do organisations embed their organisational capability into their Job Context, Organisational Systems and Knowledge Networks Enablers? as defined in the Model of Organisational Capability (MOC) (Figure 3.6).

The planning element related to exploring linkages with agendas within HRD and outside of HRD. The action was the development of user requirements for an intranet system. The observations related to how system owners responded to the role of the OC framework. The reflection was the integration of the elements of the organisational capability into human resource systems. This Phase is graphically represented in Figure 5.15, with Table 5.16 detailing the artefacts.
5.5.1 Description of Phase Five

At this stage of the project the Strategic Intent Domain had been defined by the four clusters, with the thirteen elements of the Core organisational capability (OC)
described. The underlying twenty-five second-order items had been defined on a continuum of four learning stages in Phase Four. The level of detail in the learning stages was specific enough to relate to individual development agendas and position descriptions. The implications of the capability framework for staff development, performance management, recruitment and selection and workforce planning had been identified by human resources (HRD) and many of the senior staff participants at the expert focus groups in Phase Four.

At this stage UNI had no knowledge management approach. In February 2002 the researcher attended a Knowledge Management Workshop (A5.1 Table 5.16). This seminar helped to confirm the approach taken to defining core OC, and provided an opportunity to utilise the capability framework as a template for a complementary knowledge management approach.

It was also clear that the majority of HRD staff had only a limited understanding of the implications of the capability project. Staff turnover within HRD meant that many of the initial group involved in scoping the project in Phase One some 18 months earlier, were no longer there. Attendance by HRD staff at the expert focus group in Phase Four had been very limited. In April 2002, the researcher prepared a ‘Discussion Paper on the implementation issues for Workforce Capabilities’, as the basis for a meeting to discuss the implementation issues (A5.3 Table 5.16). The email invitation in April 2002 from the researcher to HRD staff included the following statement of the purpose of the meeting:

I would like to progress our thoughts on how the capabilities can inform HR practices such as recruitment, learning and development, and workforce planning…I have attached a first draft I have prepared on how I see capabilities might be able to inform these processes, and would like to get together to explore a few options. (A5.3 Table 5.16)

Twelve HRD staff attended the meeting. An email was sent from the researcher to ADSS in May 2002 summarising the areas of agreement and issues for further clarification:

[Areas of Agreement:]
- HR Item Bank version 2 will reflect Capabilities second order items.
- need to involve other developers and [finance and planning section] as soon as possible, and the importance that the capabilities not to be seen as owned by HR
- Capabilities self assessments provide one source of input into the [performance management] process for staff and supervisors
- Capabilities assessments may be done at an individual or group level.

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priority of the marketing of capabilities once we have [senior executive] approval, so they become part of [UNI] cultural language, particularly relevant in less commercially orientated parts of uni.

[job] classification descriptors do not equate to capabilities skill levels, [this] needs to continue to be emphasised .. to staff

Issues to be Clarified/Developed:

• how we will link capabilities and [performance management process]
• are Capabilities relevant to all staff? If not, could relate to quadrants descriptors
• [UNI] development programs linked to 1st order items, not 2nd, concern over creating pressure on budget allocation for development that [UNI] cannot fulfill
• need to monitor and measure [UNIs] outcomes from the capabilities over time and impact on [UNI]. Good to have qualitative and quantitative measures, need for benchmark for future comparisons, problems in quantitative analysis as staff's expectations change over time, [quality] audit framework/mind set might be useful, possible use of [operational performance targets].
• possibility of a phased implementation over time. (A5.4 Table 5.16).

It was agreed at this meeting that there were still a number of issues yet to be resolved. Issues discussed included: the nature of the link with performance management; avoiding pressure on development funding allocations; and the need to monitor and measure the impact on UNI of the capability approach.

HRD staff responsible for the development of senior staff had fully embraced the OC framework; which was not surprising since a third of their client base had been involved in developing the capabilities in Phase Four. These senior staff developers had already mapped their development programs against the framework (A5.5 Table 5.16). In May 2002, they ran their first 'strategic conversations' with their senior staff client base on the capability framework, which was the first 'conversation' in a series of four scheduled sessions. The email invitation reflected the purpose of the session:

A number of senior folk have expressed interest in getting together informally from time to time to discuss some key strategic issues facing the University - we call them "Strategic Conversations". In true 'learning organisation' style, it is proposed to hold four of these in 2002, each on a topic area that challenges us in modern universities –

• Being Business-like
• Applying Technology
• Building Alliances
• Focusing on Clients.

These are the four areas that also describe the university capabilities that staff believe we need to model by 2010.

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Each session will be 2 hours in duration.... The sessions are meant to canvass and provoke thought on what it takes to perform optimally in these areas. Clearly it is an attempt to help senior staff share, explore, debate, cajole, enquire, persuade, be informed and challenged by developments in these critical areas. (A5.6 Table 5.16)

In July 2002, the researcher and ADSS met with one of the Directors in the Information Technology Services Department (ITS) regarding upgrades of the intranet site. Work was also progressing on a student capability agenda. ITS was highly supportive, and committed to assist the researcher to define the system requirements for a web-based intranet system.

This was a critical point for the project; having defined what a OC system could give UNI, the nature of systems to support the framework was still to be defined. An intranet site would allow the element of the OC to be promulgated to all UNI staff and the linkages to HR systems and process to be realised, as well as providing a knowledge management approach. In August 2002, the implementation Phase of the WFC project was seen as requiring two project briefs. The objectives of each project were defined as follows:

- **Develop UNI Upgrade Linkages**
  - To inform [Senior Executives] of the current draft Workforce Capabilities.
  - To obtain [Senior Executives] sign off of Workforce Capabilities.
  - To promulgate Workforce Capabilities in the University community (A5.8 Table 5.16).

- **Final UNI Executive Signoff and Promulgation**
  To utilise the current upgrade of [UNI Intranet Site] to link Workforce Capabilities Strategic Capabilities and KSA to [performance management processes], [UNI] development programs, knowledge management and workforce planning (A5.7 Table 5.16).

The web-based intranet system would be known as the Workforce Capability Profiling System (WCPS). The system would use the twenty-four elements of the Core OC, and their taxonomy of knowledge to build the three MOC Enablers by aligning HR systems and programs as detailed in Table 5.17.
Table 5.17: Workforce Capability Profiling System Enabling Systems and Processes

<table>
<thead>
<tr>
<th>Job Context Enablers</th>
<th>Organisational System Enablers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Job Descriptions and Recruitment Systems</strong></td>
<td><strong>Performance Management System</strong></td>
</tr>
<tr>
<td>An item bank of selection criteria and interview questions would relate to the twenty-four elements of the Core OC at the four knowledge levels. The item bank would be used by managers and HRD Advisors to review and update position descriptions and help give positions a broader focus across the four clusters of the Strategic Intent Domain.</td>
<td>Individuals and their supervisors would record their performance management process on the WCPS, and include a new focus on OC development. The performance management process would include a mapping of the key capabilities of the incumbent against the capabilities required of the role.</td>
</tr>
<tr>
<td>Learning and Development Programs</td>
<td>Learning and Development Programs offered by UNI, would be mapped against the elements of the Core OC at four performance levels. This would enable staff developers to identify duplication of programs, to target their offerings to staff members’ identified development needs and interests. Aggregate reports of the development needs would then be used by UNI to identify gaps and inform future development program offerings</td>
</tr>
<tr>
<td>Workforce Planning Process</td>
<td>Workforce Planning Process</td>
</tr>
<tr>
<td>Faculties and divisions, as part of their workforce planning process, would identify the top priorities for OC development. These priorities would then inform the development plans of their staff, by making explicit the priorities of their faculty and division. Future staff recruitment would also be informed by system reports, that identify perceived weaknesses in faculty and divisional OC profiles. Managers could also identify trends over time.</td>
<td>Faculties and divisions, as part of their workforce planning process, would identify the top priorities for OC development. These priorities would then inform the development plans of their staff, by making explicit the priorities of their faculty and division. Future staff recruitment would also be informed by system reports, that identify perceived weaknesses in faculty and divisional OC profiles. Managers could also identify trends over time.</td>
</tr>
<tr>
<td>Sample profiles were developed for critical career roles and roles that were traditionally difficult to fill within UNI, such as budget officers, and heads of school. These profiles were prepared by focus groups of current incumbents. Sample profiles then assist individuals with their personal career planning, making explicit what was expected of roles.</td>
<td>Sample profiles were developed for critical career roles and roles that were traditionally difficult to fill within UNI, such as budget officers, and heads of school. These profiles were prepared by focus groups of current incumbents. Sample profiles then assist individuals with their personal career planning, making explicit what was expected of roles.</td>
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</table>
The explicit knowledge sources of the UNI, such as policies and guidelines, were mapped against the twenty-four elements of the Core OC. By electronically linking documentation, they could be accessed by individuals or work groups interested in developing these capabilities. This process would also ensure sharing of knowledge by those with mutual interest in these capabilities, thus reducing duplication.

Individuals who were seen as having corporate responsibility for these areas were identified as sources of tacit knowledge that support the twenty-four elements of the Core OC. This assisted individuals who had identified development needs through their performance management process to access those individuals with critical tacit knowledge.

The benefits of UNI’s heightened understanding of the dimensions and interdependencies of their Model of Organisational Capability (MOC) is graphically summarized in Figure 5.16. All these systems and processes were managed by HRD, with representatives from each area having some involvement in the WFC project.
The work on the Intranet System Requirements had progressed to a point where the researcher and ITS were confident that an intranet solution was viable. The researcher, ADSS and HR Director scheduled a meeting with the Vice-Chancellor’s Executive - Deputy Vice-Chancellor, Registrar and Chief Finance Officer - to seek their endorsement to proceed (A5.9 Table 5.16). The group was supportive of the framework, and the Deputy Vice-Chancellor commented when seeing the framework. “Yes, that is UNI”. This endorsement enabled completion of the intranet user requirements which were finalised by March 2003. The purpose of the system described in this proforma read as follows:
The implementation of the OC framework would be centered on the web-based intranet system. This would facilitate the core OC to inform the three Enablers of the MOC. UNI’s experience in implementing the intranet system is beyond the scope of this research.

The system provided a tool for staff to build the MOC’s Job Context Enablers by accessing performance taxonomies to develop job descriptions for future positions, and inform learning and development programs. These taxonomies were then linked to selection interview questions. Organisational Systems Enablers were supported by linking the performance management and workforce planning of faculties and divisions to the Core OC framework. Knowledge System Enablers were also developed by linking development with sources of tacit and explicit knowledge.

The promulgation of the capabilities across UNI also progressed. A number of presentations were delivered for senior staff and stakeholders. These sessions were conducted for stakeholders including the Pro-Vice Chancellor of Information Services, Human Resources, and UNI staff developers. It was seen that project

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**Purpose of System**

The purpose of UNIs Workforce Capabilities Profiling System is for staff to be able to self-assess their capabilities against those that UNI believes will provide it with a competitive edge now and in the future. This information will inform staff development, [and] shape the development programs UNI offers, and its workforce planning.

The Workforce Capabilities Profiling System will:
- Identify the Strategic Capabilities relevant to an individual’s position, and
- Identify the Knowledge, Skills and Abilities (KSA) relevant to an individual staff member’s position.

This information can then help staff:
- Highlight the relevant staff development programs and resources UNI offers to further develop these capabilities, and
- Inform discussions with supervisors [on their development priorities].

Supervisors and managers can use the WCPS to:
- Develop Position Descriptions and recruitment resources for new or reviewed positions
- Identify development programs and resources for themselves or their staff
- Inform discussions with staff on their development priorities, and
- Complete their Faculty/Division’s Workforce Planning Profile. (A5.10 Table 5.16)
promotions needed to be delayed until the intranet site was ready to be implemented.

5.5.2 Learnings
The implementation of the intranet workforce capabilities profiling system (WCPS) seemed to stall at times, as a result of the political sensitivities of the project and limited understanding of organisational capability (OC) by key stakeholders.

There were constant difficulties in defining the scope of the project. The lack of a model for building Core OC to guide thinking on the systems that would be affected by the defined OC, made the process of appropriate consultation a matter of trial and error. As this is a relatively new field there was difficulties in the human resources department (HRD) conceptualising what the framework had to offer, which made it more challenging for HRD staff to contribute to the success of the project.

The very essence of the OC agenda, which makes HR more strategically relevant by providing a framework that links HR processes and systems to the strategic direction of the organisation, is problematic. By making this linkage explicit, the managerial prerogative to interpret the strategic role of HR represents a potential loss of power to those who had previously identified the direction of HR systems and processes. This loss of power created an overt risk of making HR more accountable for interpreting the strategic direction. If the Core OC was not strategic, HRD would be accountable for the misalignment. Naturally, misalignment with the strategic direction is always a risk for HRD, but one that is usually difficult to evaluate. These concerns meant delays and procrastination in implementing the project, which increased its overall time frame.

Support from Information Technology Services (ITS), and the linkage with the existing ITS agenda, were a major success factors for the project. Their willingness to commit resources and their strong conceptual understanding of the project were significant advantages. The strong relationship between the researcher, ITS and the HRD senior staff developers helped the researcher to explore the natural linkages with HR systems. The researcher’s dual role, as researcher and practitioner, with a strong background in organisational development and change
management, assisted the project to identify the strategic linkages with current HR systems and processes, and to gain substantial senior staff support.

The project was successful in providing a method for HRD to become a strategic partner by aligning the following systems and processes with UNI’s strategic direction:

- position descriptions and selection processes
- performance management procedures
- staff development programs
- knowledge management explicit and implicit data bases
- workforce planning systems.

The following successes were identified in Phase Five - Define Priority Enablers:

- The Workforce Capability Profiling System enabled a complex framework to be appropriately applied to individual situations, thus increasing staff’s sense of engagement with the framework.
- Support from ITS and the relationship between the researcher and the Director of ITS, helped give the project priority within the ITS Department, such as integrating the intranet tool to a parallel upgrade of the intranet site.
- The researcher’s knowledge of UNI, and background in change management and organisational development principles, enabled the Core organisational capabilities to be aligned to HRD systems such as selection, performance management, staff development, knowledge management and workforce planning.

The following understandings were revealed in Phase Five - Define Priority Enablers:

- The strategic implications of the WCP were not fully understood, making it more difficult for HRD to appreciate the implications of the framework, thus stalling implementation.
5.6 UNI Case Study Overall

The five Phases were an excellent tool to describe and analyse the UNI Case Study. The evolution of UNI’s OC framework reflects the benefit of senior staff’s involvement in the project through increasingly explicit definition to the elements of the Framework. The progression of the framework at the end of each Phase is detailed in Table 5.18.

Table 5.18: Comparison of Capability Framework at the end of each Phase

<table>
<thead>
<tr>
<th>Phase One (Table 5.2)</th>
<th>Phase Two (Table 5.6)</th>
<th>Phase Three (Table 5.10)</th>
<th>Phase Four (Table 5.15)</th>
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<tbody>
<tr>
<td>performance focus</td>
<td>customer service</td>
<td>customer service</td>
<td>• service culture</td>
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<tr>
<td>feedback</td>
<td>social responsibility</td>
<td>social responsibility</td>
<td>• acknowledging diversity</td>
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<tr>
<td>teams</td>
<td>life-long learning</td>
<td>life-long learning</td>
<td>• focus on development</td>
</tr>
<tr>
<td>incentives</td>
<td>information and technology literacy</td>
<td>information and technology literacy</td>
<td>• real world experience • scholarly teaching</td>
</tr>
<tr>
<td>co-operation</td>
<td>integrating and networking</td>
<td>information and technology literacy</td>
<td>• Technology literacy • Information literacy</td>
</tr>
<tr>
<td>decision making</td>
<td>innovating</td>
<td>integrating and networking</td>
<td>• Integrating information</td>
</tr>
<tr>
<td>communication</td>
<td>commercial attitude</td>
<td>innovating</td>
<td>• innovative student experience</td>
</tr>
<tr>
<td>staff development</td>
<td>results orientated</td>
<td>commercial attitude</td>
<td>• commercial focus • strategic development • financial management</td>
</tr>
<tr>
<td>team performance</td>
<td>business planning</td>
<td>results orientated</td>
<td>• enabling others • performance culture</td>
</tr>
<tr>
<td>efficiency</td>
<td>managing change</td>
<td>business planning</td>
<td>• knowledge management • project management • quality assurance</td>
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</table>
| Phase One  
(Table 5.2) | Phase Two  
(Table 5.6) | Phase Three  
(Table 5.10) | Phase Four  
(Table 5.15) |
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<tbody>
<tr>
<td>making decisions</td>
<td>promoting</td>
<td>managing change</td>
<td>managing change</td>
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<tr>
<td>vision</td>
<td>advocacy</td>
<td>promoting</td>
<td>advancement</td>
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<tr>
<td>community outreach</td>
<td>research partnering</td>
<td>advocacy</td>
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<td>academic leadership</td>
<td>research partnering</td>
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<td>information and technology literacy</td>
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<td>university 'know how'</td>
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<tr>
<td>Quality of service to clients</td>
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<tr>
<td>effective people and performance mgmt skills</td>
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<table>
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<tr>
<th>Capabilities</th>
<th>Sub-factors</th>
</tr>
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<tbody>
<tr>
<td>• creative practices</td>
<td>• readiness for change</td>
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<tr>
<td>• alliances</td>
<td>• Multi-disciplinary focus</td>
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<tr>
<td>• Promoting and marketing</td>
<td></td>
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<tr>
<td>• research funding</td>
<td>• collaborative research</td>
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The progression from self-referential approaches in Phase One, to the qualitative approach in Phase Two gave the project credibility with UNI's senior staff. This increased their level of engagement as the cross-sectional group workshop in Phase Three that identified the clusters, would form the basis of the UNI's Strategic Intent Domain. These clusters would facilitate the engagement of a third of senior staff in the expert focus groups in Phase Four that described the elements of the Core OC in terms of a learning taxonomy that could be related to individuals and their positions.

The Participatory Action Research Plan-Act-Observe-Reflect (P-A-O-R) approach successfully enabled each of the three Research Questions to be addressed.

- **Research Question One - How do organisations define their Strategic Intent Domain?** The UNI Case Study outlined a qualitative analysis of corporate strategic planning documents; internal HRD documentation on staff satisfaction and leadership and future sector directional papers. These
documents then formed a basis for engaging a cross-section of senior staff and opinion leaders, enabling them to identify UNI’s Strategic Intent Domain. Prahalad and Hamel’s (1998) criteria of organisational capability (Section 3.3.2) were useful, as were the implicit capabilities that support the Strategic Intent Domain.

- **Research Question Two - How do organisations define their Core OC?** Organisations can define their Core organisational capability (OC) by exploring the capabilities that support their Strategic Intent Domain. Perry’s (1974) Performance Taxonomy is a useful approach to ensuring a progression of learning and knowledge. To develop the strategic intent without due reference to the Core OC would not support the resource-based theory of the firm (Section 3.2.1).

- **Research Question Three - How do organisations embed their OC into their Job Context, Organisational Systems and Knowledge Network Enablers?** This was addressed by the functionality of the intranet based Workforce Capabilities Profiling System. The performance taxonomies for each of the twenty-four second order items supported the alignment of position descriptions, performance management, staff development, knowledge management and workforce planning systems to the Core OC.

This chapter has described the UNI Case Study and explored the learnings at a micro level from each phase, whilst addressing the three research questions. In Chapter Six a meta-analysis of the learnings and the Case Study will shape the lessons derived from the UNI Case Study.
Chapter 6 Discussion

In Chapter Five the UNI Case Study was described and analysed in terms of the five Phases of the Participatory Action Research Plan-Act-Observe-Reflect (P-A-O-R) methodology. This chapter will take a broader view of the Case Study, reflecting on the learnings, trends and issues that could benefit future organisational capability projects.

These learnings are crystallized in a four-step process that guides organisations seeking to align HR systems and processes to build their organisational capability (OC). The four-step process does not occur within a vacuum. The context of the Case Study research suggested principles drawn from the learnings, which can be applied to other organisations. Together the four-step process and the contextual principles from the Case Study provide a clear approach for building OC, as defined in the Model of Organisational Capability (Figure 3.6).

6.1 The Model of Organisational Capability

The Model of Organisational Capability (MOC) drew together a range of strategic management and human resource (HR) perspectives to present a model that shows the complexity of OC (Figure 6.1).
Figure 6.1: Model of Organisational Capability

- Clearly defined core KSA
- Current & future knowledge networks

- Knowledge Networks
- OC Enablers

- Explicit Direction
- Qualities of workforce
- Inform organisational processes
- Inform future direction

- Core Organisational Capability

- Organisational Systems
- OC Enablers

- Meaningful job roles
- Guided performance management

- Strategic Intent Domain

- Organisational Structures Domain
The MOC builds on ideas presented by a range of authors, such as, Prahalad and Hamel’s (1990) definition of Core organisational capability (OC), Boyatzis’ (1982) performance model, Grant’s (1991) resource-based theory of the firm and Perry’s (Felder & Brent, 2004; Perry, 1981) performance taxonomies.

The need for guidance for organisation’s pursuing an OC agenda was reflected by Finegold’s et al. (1998, p. 152) call for a system to develop strategically required competencies (Chapter 3). The lack of direction in the literature supported the need for the Case Study’s research questions, which were detailed in Chapter Five.

In summary, the UNI Case Study addressed the Research Questions as follows:

- **Research Question One - How do organisations define their Strategic Intent Domain?** Organisations can examine corporate strategic planning documents and internal HR documentation to identify the implicit capabilities. A cross-section of senior staff and opinion leaders can apply Prahalad and Hamel’s (1990) criteria of OC, to identify the Strategic Intent Domain.

- **Research Question Two - How do organisations define their Core OC?** Organisations can engage their internal ‘content experts’ to apply Perry’s (1974) Performance Taxonomy to define the Core OC.

- **Research Question Three - How do organisations embed their OC into their Job Context, Organisational Systems and Knowledge Network Enablers?** The performance taxonomies for each of the elements of OC can support the alignment of HR systems to the Core OC. These HR systems include position descriptions, performance management, staff development, knowledge management and workforce planning.

This chapter draws on the experience of the UNI Case Study in addressing these research questions to present a model for other organisations seeking to develop their own Core OC.

The UNI Case Study confirmed the significance of the three Domains of the MOC – Strategic Intent, Organisational Structures and Individual Knowledge. For UNI to build its Core OC in Phase Five, the three MOC Domains first needed to be defined. Thence, the enabling systems (performance management, workforce management, selection item banks, learning and development, and knowledge management) could be aligned to the thirteen elements of the Core OC.
The research supported the development of a detailed performance taxonomy that supports the defined Core OC. This taxonomy was embedded in a web-based intranet system that built alignment between the MOC’s Organisational Systems, Job Context and Knowledge Network Enablers. The intranet system provided a means for managers and individuals to meaningfully relate to the strategic direction of UNI in systems and processes that affected them. For example, the tool enabled individuals to focus on the aspects of the Core OC that most relate to their roles, and use these to guide their career development and performance.

The potential benefits for UNI of building their Core OC, as previously detailed in Figure 5.16, are summarised as follows:

**Individual**
- Clearer expectation of what is required to progress your career.
- Easier access to relevant knowledge and development.
- More helpful feedback on current performance to manage career planning and development.

**Organisation**
- Performance management systems that support Core OC.
- Organisational positions that have a logical progression of expectations are aligned to Core OC.
- Learning and development programs that support Core OC.
- Workforce planning that can be used by managers to develop needed capabilities.

The UNI Case Study supports the living-system coherence of complexity theory as detailed by Colbert (2004) (Section 3.0). This was achieved as the MOC provided a vehicle for communicating the meaning of the Core OC to the workforce though alignment of HR systems and processes. This meaning is reflected in the consistent language of the enabling systems and processes. The Case Study reflects both a top-down and bottom-up approach. The workforce are able to populate the senior management’s OC framework through the intranet system, thus shaping the organisation’s understanding of itself, hence indicating priorities for development and growth. The UNI’s Knowledge Networks Enablers also encourage sharing of information and learnings. In this sense the MOC confirms four of Colbert’s (2004) Seven Heuristics for Nurturing Complex Living Systems (Table 3.2) – distribute being, control from the bottom up, cultivate increasing returns and grow by chunking.
The UNI Case Study has not changed the MOC; rather it has validated the important role of the Core OC to align the Domains and the enabling systems and processes. The Case Study has highlighted the importance of understanding the need for alignment of the Domains and Enablers of the MOC in building Core OC. The dynamic nature of the relationship between the Domains, Enablers and Core OC have produced a model that supports the complexity approach suggested by Colbert (2004) in Section 3.0.

The MOC also supports previous research of identified benefits of OC:
- Establishing the HR sector as a strategic partner (Ulrick and Lake, 1991; Luoma 2000) – alignment of enabling systems and processes through WCPS.
- Improving person-organisation fit from selection processes (Bowen et al. 1991) – refining selection criteria of positions through WCPS.
- Communicating valued behaviours (Finegold et al. 1998) – alignment of performance management processes.

A challenge for researchers and organisations seeking to build their Core OC is the complexity of the MOC. Alignment between the Core OC and the three Domains provides the real power of the MOC, but this complexity makes it difficult for organisations to know how to tackle building their Core OC. Reflection on the learnings from the UNI Case Study helped shape a process and principles for organisations seeking to build their OC.

The remainder of the chapter builds on the answers to the research questions by exploring the learnings from the Case Study. The learnings informed the development of a four-step process and contextual principles that can be utilised by other organisations.

6.2 Process for Building Core Organisational Capability

The Case Study's methodology, in particular the P-A-O-R approach (Kemmis & McTaggart, 1988) to the five phases of the UNI research largely supports Eisenhardt's (1989) and Nieto and Perez's (2000) frameworks for building theory from case study (Section 4.3). As such, the UNI Case Study provided the
opportunity for in-depth learnings and laid a foundation for a model for other organisations (Section 5.1.2, 5.2.2, 5.3.2, 5.4.2 and 5.5.2). The learnings identified from each phase of the Case Study are detailed in Attachment Five. The process is described in Table 6.1, which should be viewed in conjunction with the following discussion.

Step One – Scope the Existing Domains and Enablers

The first step is mapping what is known about each of the MOC’s three Domains. This mapping process gives the researcher an understanding of how much is already known about each of the Domains, and therefore where the research needs to focus. During this step the researcher seeks to identify the Domain that is most in need of clarification. This will depend on how established processes have effectively defined the nature of each Domain, and also on the interest of senior managers. Defining the Domains will clarify how well the existing enabling systems and process align with the Core OC.

To successfully complete this stage a clear definition of Core OC is needed. Based on a review of the literature, Section 3.2 suggested the following definition of organisational capability:

*The embodied knowledge set that supports competitive advantage through innovation and flexibility gained by building alignment between the strategic intent, the organisational structure and the expertise of the workforce.*

During this first step, the researcher is seeking to ascertain the scope of the research. Drawing on the experience of other organisations can provide management with clarity as to how an OC agenda can enhance the role of HR functions and processes. In the UNI Case Study:

- The Organisational Structures Domain was relatively well defined by workforce management establishment profiles.
- The Individual Knowledge Domain was defined by position descriptions and professional forums, such as the Faculty Administration Managers Group, Heads of School Forums, Co-ordinators of Large Unit Development Programs etc.
- The Strategic Intent Domain was the least defined Domain.

For other organisations, either the Organisational Structures Domain or the Individual Knowledge Domain may be the starting point. If there is more than one
Domain in need of clarification, starting with the most urgent would be prudent, as the complexity of the issues requires focus. It is important that the target Domain is a priority for senior managers, not just for human resources (HR). A common mistake is to start with enabling systems and processes that are comfortable for HR, such as learning and development frameworks. This will not be successful unless there is a clear link with the strategic direction.

In the UNI Case Study, problems of establishing the appropriate scope of the research emerged. This was evident in:

- changing views on whether or not teaching and learning capabilities should be included
- uncertainty of the level of detail required in the capability framework
- uncertainty of the impact of the framework on HR systems and processes.

Problems of defining the implications of the framework for HR systems and processes were partially due to organisational capability (OC) being a relatively new approach in strategic HR. As such, the experience of other organisations did not provide the clarity of understanding that is usually available.

As there was not an agreed best practice for building OC into HR practices, the tangible and practical implications were difficult to define early in the project. UNI found it relatively easy to accept the conceptual outcomes of the research, but how an OC agenda would affect systems and processes was difficult to visualise until the final phase of implementation. Indeed, the lack of specifics within the literature meant that many HR professionals could not extrapolate the implications of the OC Framework performance taxonomies for HR systems and processes. From this first step it was clear that the existing UNI Domains and HR enabling systems and processes were not aligned.

**Step Two - Define the Target Domain**

Having defined the nature of the research and identified the target Domain, the research can commence. The second step focuses on defining the nature of the most poorly defined Domain.

In defining the Strategic Intent Domain, information was sought from a variety of sources, with triangulation of data an important consideration. Documents such as the strategic plans, visionary statements, sector trends and challenges, senior
managers’ ‘hot topics’, as well as HR knowledge sources (leadership profiles, staff satisfaction surveys etc) are helpful.

The definition of the target Domain needs to be validated with senior managers, as their engagement will be crucial to the direction and ultimate success of the project. Simple messages and a credible and defensible methodology are important. The Domain needs to be logically and simply defined, with strong face validity. The Policy Delphi Technique (van Dijk, 1990) provides an efficient approach to engaging a cross-section of senior managers, and reaching consensus.

The UNI Case Study initially focused on the Strategic Intent Domain, as it was the least clearly defined by the existing HR systems and processes. As such, it was perhaps the most difficult Domain to define. Once defined, it provided the research with a strong sense of strategic relevance and assisted in gaining support for the project from stakeholders.

The Case Study initially struggled to settle on an approach to define the Strategic Intent Domain, as evident by the four attempts in Phase One (Section 5.1). The final methodology of drawing on agreed strategic planning documents made sense, as it enabled the research to build on the known. Strategic planning processes are an important part of the UNI culture, with the Vice-Chancellor taking a personal interest.

For organisations starting on different Domains, information sources will be different. For example, the Organisational Structures Domain can be identified in organisational charts and workforce planning profiles - and the Individual Knowledge Domain in position descriptions, performance management system data etc. Regardless of the target Domain, engagement of senior managers is critical. If they cannot engage with defining the Domain, then the researcher is focusing on the wrong Domain. The Policy Delphi Technique can be used to define any Domain.

**Step Three - Define the Capabilities to Build the Enablers**

With the target Domain defined, the next step is to build detailed definitions of the Core OC. This step provides a clear performance taxonomy to ensure that
elements of the Core OC are defined in a progression, as recommended by Perry (1981). If this level of definition is not achieved, links to enabling systems and processes will not be possible.

The Policy Delphi Technique (van Dijk, 1990) provides an efficient approach to engage senior discipline experts, and to reach consensus on definitions. Semantic differential rating scales are a useful tool in focus groups to assist content experts to define the dimensions of their discipline (Neuman, 2004). The order of the OC framework should be logical and clear, Biglan’s Orientation of Disciplines provides a useful and logical order (Biglan, 1973).

**Step Four - Build Enabling HR Systems**

Having defined the Core OC, an approach is needed to embed these capabilities within HR systems and processes. Alignment of recruitment and selection, performance management, workforce planning, learning and development and knowledge management systems can be a powerful means of building the enabling systems. These enabling systems embed the Core OC into the organisation, providing the workforce with a high degree of certainty about the behaviours that are acknowledged, rewarded and valued within the organisation.

One of the risks with capability frameworks is inherent complexity. This can be offset by the use of a web-based intranet system which contains the performance taxonomy developed in Step Three. For example, in the UNI Case Study the intranet system helped users access the relevant dimensions of the taxonomy without being overwhelmed by aspects that were not important to them. This does not mean that you can only implement the MOC with an intranet system. In the UNI Case Study, the intranet system assisted the MOC’s Enablers to be transparently linked in a way that was not a burden to the user.

Without an intranet system the Enablers can still be aligned, but the linkages would be less easily individualized. For example job analysis and learning and development offerings can relate to a defined capability framework, thus refocusing selection practices, and learning and development programs. However, making these linkages explicitly tailored to each individual’s performance management process would be more difficult to implement and monitor without an intranet tool.
These four steps for building Core OC – Scope the Existing Domains and Enablers, Define the Target Domain, Define the Capabilities to Build the Enablers, and Build Enabling HR Systems - occurred within a broader context. The principles that can be drawn from the Case Study context are outlined in the next section. A linear process for organisations seeking to build Core OC is provided in Table 6.1.

By applying the four-step process described above, organisations can build an understanding of the dimensions of their own MOC, as indicated in Table 6.1. Each of the four steps gives the researcher detailed information that allows the emerging MOC to be defined. This is possible because each step provides sufficient definition and clarity for the alignment of the enabling HR systems and processes.

Having established how the four-step process can build an organisation’s understanding of its own MOC, we now need to clarify the contextual principles that guide and shape those steps.
### Table 6.1: Four-Step Process to Building Core OC and the MOC

**Step One**  **Scope the Existing Domains & Enablers**

1. Identify current initiatives that relate to an OC agenda.
2. Quantify how well existing HR practices reflect the strategic intent.
3. Explore the experience of other organisations to demonstrate outcomes and a suitable scope for the project.
4. Identify existing sources of information that may reflect Core OC.
5. Negotiate the scope of the project, seeking a strong link with the core business of the organisation.
6. Identify an appropriate definition and approach to OC. Specify the nature of implications for HR systems and processes, using the MOC.

**Maps the existing understanding of three Domains of the MOC.**

**Step Two**  **Define the Target Domain**

1. Analyse existing indicators of the Target Domain, seeking a triangulation of sources if possible. Analysis to be conducted by more than one researcher to avoid rater bias.
2. Explore current and emerging issues within the sector.
3. Incorporate an understanding of perceived ‘hot topics’ to assure a high profile for the project.
4. Test analysis with a cross-section of senior staff, using a Policy Delphi Technique with Focus Groups.
5. Ensure the framework can be promoted as essentially simple.
6. Apply a logical discipline to the framework.

**Step Three**  **Define the Capabilities to Build the Enablers**

1. Develop the Core OC based on discipline groupings with senior staff, to identify second-order capabilities, using Policy Delphi Technique with focus groups.
2. Apply a taxonomy of performance and learning levels to capabilities, using semantic differentials as a rating tool.

**Step Four**  **Build Enabling HR Systems**

1. Develop a database to support Enabling HR systems and processes to be aligned.
2. Utilise knowledge of HR systems and processes to align the Core OC.

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*Leanne Margaret Gill*
6.3 Contextual Principles for Building Core Organisational Capability

The Case Study involved developing and implementing a new approach for the human resource department (HRD) at UNI. In this sense, the research required UNI to embrace a new way of looking at how the focus of human resource (HR) systems and processes would be established.

The learnings from each of the five phases of the Case Study have been described in Chapter Five (Sections 5.1.2, 5.2.2, 5.3.2, 5.4.2, 5.5.2). The contextual principles drawn from the learning are summarised in Table 6.2. The Case Study learnings are mapped against these contextual principles in Attachment Five.

Table 6.2: Contextual Principles from UNI Case Study

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<table>
<thead>
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<tbody>
<tr>
<td>1.</td>
<td>stakeholders’ engagement</td>
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<tr>
<td>2.</td>
<td>practical need for the research</td>
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<tr>
<td>3.</td>
<td>defensible methodology</td>
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<tr>
<td>4.</td>
<td>senior managers’ agendas</td>
</tr>
<tr>
<td>5.</td>
<td>incremental change strategy</td>
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</table>

These principles have been previously covered in a variety of disciplines from the strategic management, learning organisations, organisational development and research methodology literature. However, it is important to understand that they were identified from the UNI Case Study learnings as critical to the success of the research, and without consideration of all principles, the project was likely to fail.

**Principle One - Stakeholders’ Engagement**

The research adopted a strategy of regular stakeholder engagement. By consulting as broadly as practical in key phases, the researcher gained a clearer perspective and greater depth of understanding of issues across the organisation.

This understanding was achieved by communicating messages as simply as possible, building on relationships already established by the HR department, and using regular project briefs and clear definitions of new terms. Senior staff were
heavily involved in focus groups, giving them a great deal of ownership of the outcomes.

Examples of learnings from Chapter Five (Attachment Five) that support this principle:

- Grounding the OC framework on the UNI strategic plans at faculty and divisional level gave HRD the confidence that they were correctly interpreting the Strategic Intent Domain, as they were able to draw on the language used by senior managers in their own planning documents.— Phase Two

- A cross-sectional workshop of senior opinion leaders enabled HRD to test the thinking behind the project, with the support from the group giving HRD greater confidence to broaden the scope to include teaching and learning, and seek senior leaders’ support.— Phase Three

Consultation increased the political support for the project, and made the OC framework more widely known and understood. The discussion about the descriptions improved the quality of the framework and helped to stimulate enthusiasm and commitment from within HR for the project.

**Principle Two - Practical Need for the Research**

The researcher established a practical need for the project. The process of mapping the existing selection criteria of general staff positions to the framework clearly defined UNI’s existing mis-alignment with the Strategic Intent Domain, and the need for change. Defining the outcomes for senior managers and HR practitioners is an important focus early in the project. Although the literature at the time of the project identified the benefits and linkages of an OC agenda, how the Model of Organisational Capability (MOC) would align these systems and processes was not fully appreciated by UNI’s HR professionals during the majority of the research.

Examples of learnings from Chapter Five (Attachment Five) that support this principle:

- Leading the project from within HRD enabled it to be initially mapped against current HR initiatives, such as workforce planning. - Phase One
The Selection Item Bank Project mapping helped highlight the historical inadequacies of position descriptions, and increased support for the WFC project.– Phase Four

**Principle Three - Defensible Methodology**

During the contracting phase of the research, the initially unsuccessful self-referential attempts to define the Core OC highlighted the importance of a defensible methodology. The methodology needs to:

- build on the organisation’s existing knowledge base of the MOC’s Domains
- engage multiple focus groups, using Policy Delphi Technique
- include triangulation of sources
- minimise the potential for single-rater error in analysing data
- engage a progressive performance taxonomy in defining capabilities, using semantic differential scales to assist focus groups
- utilise a conceptual map of disciplines to provide a logical order in the overarching framework.

Examples of learnings from Chapter Five (Attachment Five) that support this principle:

- The researcher’s initial analysis of the plans gave HRD a defensible starting position to explore the framework with UNI senior managers.– Phase Two
- Perry’s (1975) taxonomy of learning and performance enabled consistency between focus groups, and a more robust final model.– Phase Four

**Principle Four - Senior Managers’ Agendas**

Interestingly, the methodology was not ‘purely’ objective. The methodology needed to be able to be publicly grounded on objective source documents that embodied the strategic intent with high face validity, yet also needed to be able to be interpreted in a way that embraced the implicit strategic agendas as seen by HR Department. This approach is consistent with Schön’s (2002) theory-in-use and theory-in-action (Section 3.2.1) by drawing on the strategic documents but also accommodating the political sensitivities and agendas of senior staff.
Examples of learnings from Chapter Five (Attachment Five) that support this principle:

- It was difficult for the HR Director to decide if the scope of the project should extend beyond the traditional HR people-management focus to include UNI’s broader operating context – Phase One
- HRD’s understanding of UNI’s current strategic agendas enabled the revisions of the framework to reflect perceived priorities across UNI, making the project more appealing to senior staff.– Phase Two

*Principle Five - Incremental Change*

An incremental change strategy was used to build stakeholder understanding. In dealing with such a complex and new approach, building on stakeholders’ current knowledge base was an important element of the success of the research, for several reasons:

- HR staff and senior staff were engaged in aspects that related to their professional interests.
- The staff satisfaction survey had been a highly successful vehicle for UNI in understanding itself. Drawing on the established opinions of staff provided a credible means of including the views of a cross-section of staff.
- The strategic plans and vision statement of the senior executives embodied the vision of senior staff.
- The process built on the momentum of parallel agendas within UNI, such as the support from the teaching staff for student capability frameworks.

Examples of learnings from Chapter Five (Attachment Five) that support this principle:

- Grouping the elements of the core OC into four clusters, helped to make the approach look simpler and more accessible.– Phase Three
- UNI’s learning agenda and the exposure of some academics to learning taxonomies helped them to relate these concepts to OC.– Phase Four

In summary, the four-step model and the contextual principles, as depicted in Figure 6.2, build on the answers to the research questions and the learnings from the UNI research. This model provides clear guidance on the steps involved in building Core OC, and the contextual principles that inform how researchers approach an OC agenda.

*Leanne Margaret Gill*
Figure 6.2: Process and Principles for Building Core OC

Chapter Seven will provide a critique of the research in terms of contribution to the literature, generalisability of results, positive aspects, limitations and future research.
Chapter Seven Conclusions

The UNI Case Study provided an excellent opportunity to explore how an organisation can build its core organisational capability (OC). An exploratory case study in the tertiary education sector (UNI) enabled sufficient depth and understanding of the relationships between the Domains of the Model of Organisational Capability (Figure 3.6) to be explored. The participatory action research approach deployed five phases of Plan-Act-Observe-Reflect (Figure 4.4) to develop a detailed understanding of how to build Core OC. The scope of the research focused on a process to engage the organisation in a new mind-set that embraced the OC agenda, so as to support changes in their human resource systems and processes. The overall learnings from this research (Sections 5.1.2, 5.2.2, 5.3.2, 5.4.2 and 5.5.2) have defined a four-step process and five principles for organisations pursuing a capability agenda (Table 6.1 & Figure 6.2).

This chapter will examine how the research has contributed to a deeper understanding of the nature of OC, provide a critique of the research in terms of the positive aspects and limitations, and conclude with suggestions for further research.

7.1 The Concept of Organisational Capability

The findings from the UNI Case Study help to further our conceptualisation of the nature of organisational capability (OC) and the alignment of human resource (HR) systems. The philosophy of the nature of the relationship between individuals and organisations embodied by the Model of Organisational Capability (MOC) and the UNI Case Study reflects a relationship of mutual benefit, as defined by Limerick and Cunnington’s (1998) ‘collaborative thinking’ (Section 2.0) and Colbert’s (2004) (Section 3.0) ‘living systems’. The UNI Case Study has extended the understanding of how individuals and organisation can establish work roles which they both value. This was achieved through greater alignment between HR systems and processes, which in turn provided a clear message as to the behaviours that the organisation values.
The UNI Case Study has shed light on differing views in the literature regarding the nature of OC within the broader organisational setting. The UNI Case Study:

- Took a different approach to Luoma (2000) (Section 3.1) with a stronger systems perspective, showing a more dynamic model. Both Luoma (2000) and the MOC have the organisation’s strategy central to their models or OC. The MOC has a stronger emphasis on alignment, rather than just informing other processes.
- Supports Grant’s (1997) approach to strategy analysis (Section 3.2.1). The UNI Case Study shows how Grant’s (1997) approach can be embedded by HR systems and processes.
- Reinforces Yeung and Berman’s (1997) integrated framework of the role of OC (Figure 3.5), by emphasising the linchpin role of OC between business strategy and HR practices, and employee satisfaction. The UNI Case Study research did not address either customer or stakeholder satisfaction.

The UNI Case Study developed an approach to establishing a HR agenda with greater strategic relevance, consistent with previous findings:

- Turner and Crawford (1998) found that performance management is the only factor that contributes significantly to an organisation’s current business performance and change effectiveness (Section 2.3.1).
- Mohrman and Mohrman’s (1998) role of performance management (Figure 2.2) suggested a vehicle to move from the traditional paradigm of non-alignment with the Core OC, to the new UNI paradigm of HR systems and processes aligned to the strategic intent.
- Scotts’ (1999) model aligns performance management to organisational business performance (Figure 2.3).

The UNI Case Study has added to the understanding of models of performance management, by showing how strategic direction and performance management systems can be aligned.

Given the reformation noted, it can be argued that, in tandem with the understanding of how to align the Strategic Intent Domain of the MOC with performance management processes in organisational capability initiatives, the UNI Case Study has also confirmed a view of the nature of job analysis processes. The UNI Case Study (Table 6.1, step 3) suggests an approach that is consistent with Brannick and Levine’s (2002) prediction of frameworks of the future that are broader rather than
narrow, and brings an understanding of the organisation’s context, strategy and goals. The UNI Case Study supports the competency profiling approach, as described by Nankervis et al. (Nankervis et al., 2002) (Section 2.3.5), as it begins with defining the strategic dimensions of the organisation, relating that to organisational capabilities, and then links these to recruitment, selection and staff development.

The UNI Case Study four-step process (Table 6.1) helps address Finegold and Lawler’s (1998) criticisms of competency approaches as being ‘bottom-up’ and focusing on successful individuals rather than on patterns of competencies within the organisation (Section 2.3.5). The UNI Case Study took a top-down approach by first establishing the strategic intent, and then relating that to the Core OC.

The UNI Case Study four-step process has also furthered an understanding of how capability frameworks should be defined. Table 6.1 (step 3) suggests applying Perry’s (1975) taxonomy to the Core OC, thence providing a level of detail that supports linkages with HR systems and processes. This linkage is a key feature of the research. The elements of the Core OC were defined within the workplace context of UNI by discipline experts helping to increase ownership of the framework, and to make the definitions more relevant to individuals and their roles. This approach is supported by Conczi (1999) (Section 2.4.2).

There are no existing criteria to assess the quality of the UNI Case Study OC Framework. The criteria for defining job competencies (Shippmann, Ash et al. 2000) is the closest. Table 6.3 shows how the UNI Case Study rates 45 out of a possible 50 in rigor, giving it an overall average medium/high to high rating.
Table 6.3: Rating the UNI Case Study against Shippmann et al. (2000) Criteria for Defining Job Competencies

<table>
<thead>
<tr>
<th>Shippmann et al. Variables</th>
<th>UNI Rating</th>
<th>Shippmann et al. criteria at the UNI Rating</th>
<th>UNI Case Study characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Method of investigation</td>
<td>5</td>
<td>A variable combination and logically selected mix of multiple methods are used to obtain information depending on the research setting, target population and intended application.</td>
<td>• Triangulation of sources of Strategic Intent Domain in qualitative analysis</td>
</tr>
</tbody>
</table>
| 2 Type of descriptor content collected      | 5          | Variable combination of multiple types of information collected depending on intended application(s). | • Cross-sectional and expert focus groups  
• Qualitative analysis                      |
| 3 Procedures for developing descriptor content | 5          | Information collected from content experts using a structured protocol and following a logically developed sampling plan with a comprehensive and representative sample. Content experts meet some qualification criteria. | • Two focus groups for each of the four cluster of the OC framework |
| 4 Detail of descriptor content              | 4          | Fairly precise labels representing different categories of content that subsume fairly comprehensive sets of item-level descriptors which operationally define each category. | • UNI case study was not precise as the framework was written at an organisational level rather than for a specific role. The WCPS then related the framework to specific roles. |
| 5 Link to business goals and strategies     | 5          | Significant effort to research the business context and review strategy-related documents, as well as meeting with top executives responsible for setting strategies, to ensure the results are aligned with the broader goals and long-term strategies of the organisation. | • Qualitative analysis included the UNI mission statement and issues within the sector. |
| 6 Content review                            | 5          | Formal review of rationally created solution by client project leaders, technical review team, and potential end users of the application built from the solution to ensure:  
• item-level descriptors are clear  
• content categories do not overlap  
• content categories are parsimonious and internally consistent, and  
• Items and categories represent measurable content appropriate for the intended application. | • Expert focus groups |
| 7 Ranking descriptor content                | 3          | Based on some procedure for weighting the judgments of a small group of content experts, an interval prioritization of the final descriptor set is derived. | • Use of semantic differential scales in focus groups |
### Table 6.3

<table>
<thead>
<tr>
<th>Variables</th>
<th>UNI Rating</th>
<th>Shippmann et al. criteria at the UNI Rating</th>
<th>UNI Case Study characteristics</th>
</tr>
</thead>
</table>
| 8 Assessment of reliability | 4 | A systematic sample of content experts are involved in matching content category labels with definitions and perform some rating task. Results are expressed in terms of percent correct matches and the average inter-correlations of the items. | • Delphi technique with focus groups  
• A single researcher conducted the content analysis of qualitative data and outcomes of focus groups. |
| 9 Item/category retention criteria | 5 | Multiple, clear, logical criteria are consistently applied to items and categories to determine whether content is retained or deleted. | • Use of Biglan’s discipline dimensions to OC Framework and Perry’s taxonomy of performance.  
• Use of Prahalad and Hamel definition of Core OC. |
| 10 Documentation | 4 | Standardized final report “shell” document with appropriate information and data slotted in. | • Student Capability data base provided a “shell” for storing the descriptors. |

[Likert scale of rigor: 1- low, 2 – low/medium, 3 – medium, 4 – medium/high, 5 high]

Table 6.3 highlights a few limitations of the UNI OC framework. The three variables that rated less than medium/high show how increased rigor could have been achieved:

- Ranking descriptor content (variable 7) – The UNI Case Study focus groups applied semantic differential scales. The groups could have used a broader range of methods to define the capabilities, such as questionnaires, and observation diary recording, to provide a broader range of data sources.

- Assessment of reliability (variable 8) – Two focus groups for each of the four clusters of the OC framework were used in the UNI Case Study. This number could have been increased, involving a range of levels within each discipline. There was also the possibility of single rater error, which would have been reduced by having more raters.

- Documentation (variable 10) – The Case Study utilised part of the existing student capability data base, to record the OC framework. More varied data
collection, including written reports that detailed the composition and content of expert samples, would result in more detailed documentation of how individual capabilities were defined.

The UNI Case Study and the four-step process therefore support more strategically focused performance management and competency profiling selection processes, by providing an OC Framework with strong rigor. Besides our understanding of the nature of OC, the UNI Case Study has also added to our view of the MOC (described in Section 3.3). The next section examines the generalisable nature of the research.

7.2 Generalisability of Research

The application of the four-step process and the five principles (Table 6.1 & Figure 6.2) to other organisations relates to a number of features of the research:

- need for an organisation specific framework
- tertiary education sector
- dual role of researcher.

Need for an Organisation Specific Framework

The UNI Case Study developed an organisation-specific framework. There are a number of more generic capability frameworks, for professional groups or large organisations, such as the Australian Public Service’s Integrated Leadership System (Australian Public Service Commission, 2005; Podger, Halton, Simic, Shergold, & Maher, 2004). Why should organisations bother building their own, when they could adopt one of these?

In organisations that have no real competitive issues, it could be argued that they are more focused on their role within their industry. For these organisations, profiles such as the Australian Public Service Commission’s (2005) are quite appealing. However, this model does not develop the specialist technical capabilities, only the more generic senior management capabilities. Therefore, organisations which adopt such frameworks still need to develop their specialist technical capabilities. Capability models for many professional groups tend not to utilise a learning taxonomy that provides a progression of expectations. A lack of progression within
the framework makes it difficult to develop the level of alignment to build the enabling systems as outlined in the MOC.

_Tertiary Education Sector_

UNI is not in the public service, but it is part of the public sector. The tertiary education sector has changed dramatically over the last twenty years (Coaldrake & Steadman, 1998); they receive less federal funding and increasingly rely on self-generated funds. The wave of reforms in tertiary education makes it a changing sector with a moderate degree of strategic repositioning and increasing competition within the sector.

The UNI Case Study took two and a half years to define the Core OC and design the web-based intranet profiling system. The most difficult part of the project was defining the Core OC and its system and process implications. The Strategic Intent Domain is not expected to change regularly, but when it does, the Core OC and the underpinning descriptors would need to be refined. Having defined the system linkages, re-aligning them would not be as difficult as building them in the first place.

For organisations in more competitive markets, a major advantage of an OC agenda is the focus on competitive advantage. Indeed this is central to Prahalad and Hamel’s (1990) definition of Core OC. For organisations such as UNI, with an increasing focus on competitive advantage in the market place, generic leadership and management frameworks are not appropriate.

The UNI Case Study took place in a teaching and research orientated organisation. This supported the researcher’s desire for a defensible methodology, and a quality outcome from the project. It is doubtful that non-research orientated cultures would have accepted the delays in the planning phase, whilst an acceptable methodology was being defined. Fortunately, future researchers can apply the learnings and the four-step process, thus reducing the time frame, and increasing the rate of progress of the project.

_Dual Role of Researcher_

The dual role of practitioner and researcher is an important feature of the UNI Case Study. The detail obtained for the Case Study was only made possible by the researcher’s dual organisational responsibilities as project manager. A large part of
the success of the project related to an ability to work within the internal politics of UNI, involve and engage stakeholders, and solicit the support of the HR Director. It is hard to imagine how a researcher external to UNI would have been able to achieve this.

The UNI Case Study was exploratory research, with the results of the investigation providing future researchers with a practical model of how the Core OC relate to organisational systems and processes, and a four-step process and principles for building OC. These outcomes should assist future researchers and practitioners who are not part of the organisation, to more easily explore how organisations build their Core OC.

One objective of professional doctorate research is to contribute to knowledge and practice (McWilliam 2002) (Section 4.1). The MOC process for building OC has enabled this to be achieved. Holian (1999) comments on her experience in fulfilling dual roles of researcher and practitioner (Section 4.1). In the UNI Case Study, the following similar observations can be made:

- The researcher’s inertia in the topic from having both academic and ongoing professional interest, assisted the researcher to sustain her passion for the topic through to completion of the thesis.
- The researcher was not conscious of ethical issues in data collection, problems with being a whistle blower, or problem with peers.

The researcher’s departure from the organisation after the data collection helped maintain distance and reduce the possibility of ethical conflicts. The focus of the research on developing the framework, rather than implementation of the intranet system, reduced the possibility of conflict of interest and the political difficulties of being both a researcher and employee. As a result, Anderson and Herr’s (1999) Criteria for Validity in Practitioner Research (Table 4.1), and Eisenhardt’s (1989) and Nieto and Perez’s (2000) Frameworks for Building Theory from Case Study (Section 4.3) were able to be applied, with the exception of drawing on multiple case studies. None of Chilsholm’s (1990) shortfalls of action research (Section 4.3.2) were encountered. All required sources of information were available to the researcher. Therefore, the characteristics of the UNI Case Study made it possible for the researcher to reconstitute the truth of the study.
The research has developed a MOC drawn from the literature. Learnings from the UNI Case Study have produced a four-step process and principles for organisations seeking to build their OC. The research has added to the understanding of the nature of OC and the characteristics of the MOC. A summary of the positive aspects, limitations and implications for future research is now provided.

7.3 Positive Aspects

The research exhibits the following positive features:

- It addresses a vital issue for organisations at a time when the demographic profile of the workforce makes optimizing the value of the workforce a critical part of organisational competitive advantage.

- A Model of Organisational Capability was drawn from the literature review to provide a clear understanding of organisational capability.

- The research furthered our understanding of the nature of organisational capability (OC), building on existing literature, by:
  - Utilising Perry’s (1975) performance taxonomy to guide how capability models are defined.
  - Addressing Finegold and Lawler’s (1998) criticisms of competency-based models being too bottom-up.
  - Supporting Grant’s (1991) approach to strategic analysis and the resource-based theory of the firm, by showing how human resource (HR) systems and processes can embed Grant’s model.
  - Supporting Scotts’ (1999) model of aligning performance management to the organisation’s strategic agenda.
  - Supporting Colbert’s (2004) view of utilising the system perspective of complexity theory to achieve the resource-based theory of the firm’s competitive advantage through HR systems.

- The UNI Case Study provides in-depth analysis, over a 2½ year period, of the organisational realities of building OC.

- The research draws on a triangulation of data sources from: quantitative information from staff satisfaction surveys and leadership profiles; qualitative analysis of faculty and divisional strategic plans; and focus groups with senior staff.

- The web-based intranet system drew on the benefits of modern IT functionality to make a complex solution accessible to the workforce.
• The UNI Case Study provided more detail of the possible benefits to be gained from an OC approach to HR, by identifying benefits at the individual and organisational levels.

### 7.4 Limitations

The research has the following limitations:

- As a Case Study approach in the public sector, the generalisability of the results outside the tertiary education sector must be acknowledged.
- The researcher had the advantage of being an employee of UNI during the research period, with a role in organisational development and change management. This duality of role gave the project the advantage of understanding the culture of change within UNI, and extensive access to senior staff and documentation. It is difficult to know whether the project could have achieved similar outcomes had the researcher not been an established employee within the organisation.
- The organisational capability (OC) Framework could have had increased rigor in terms of the ranking descriptor content, assessment of reliability and documentation, as suggested by the Shippmann et al. (2000) Criteria for Defining Job Competencies (Table 6.3).
- The scope of the research did not extend to examining UNI’s experience in implementing the intranet system. UNI’s experience in implementing this system would have helped to establish the impact of the Core OC on the alignment of these enabling systems. However, this would have further increased the timeframe of data capture, making the scope of the research more appropriate for post-doctorial research.

### 7.5 Future Research

Future research is needed to explore how well the four-step process and the five principles (Table 6.1 & Figure 6.2) can be more generally applied. The robustness of the four-step model and principles and the Model of Organisational Capability (MOC) (Figure 3.6) need to be further examined. Further research is needed to extend our understanding of utilising these approaches in a broader range of organisations and industries, with other management dimensions and as a basis for developing an evaluation tools for practitioners.
Applying the model and principles (Table 6.1 & Figure 6.2) in different types of organisations would improve the generalisability of the research findings. Research in organisations where competitive advantage is not a significant element of their Strategic Intent Domain would also be helpful. Such research could include an examination of the relevance of generic leadership and management frameworks, and whether these organisations should concentrate their initial focus on the recruitment and selection processes of the Organisational Structures Domain. Similarly, research in organisations with different cultures, such as organisations without a strong intranet system or research culture, would be useful.

The relationship between the Model of Organisational Capability and other constructs requires further exploration, such as:

- customer service and stakeholder satisfaction, as suggested by the Yeung and Berman (1997) (Figure 3.5)
- heuristics for nurturing complex living systems, as suggested by Colbert (2004) (Table 3.2).

For practitioners wishing to evaluate the quality of their OC approach, further research would be helpful to utilise the four-step model and five principles (Table 6.1 & Figure 6.2) and the Job Competencies Criteria proposed by Shippmann, et al. (2000), as a basis for developing criteria for assessing the rigor of OC processes.

Finally, this research experience has left the researcher with no doubt that for HR functions to be relevant to the organisation they must be strategically aligned. I believe the Model of Organisational Capability developed in this paper has significantly furthered critical thought on how HR functions can contribute to competitive advantage.

At the commencement of this research in 2000, there were no other universities in Australia, and very few other organisations, addressing the challenge of making human resource strategically relevant. UNI's experience was laboured and at times arduous, yet their commitment to the outcome and support for the project is highly commendable. Although universities arguably provide a relatively ‘safe’ and stable site for research, there are substantial learnings for other organisations. The models developed from this research will assist all organisations to develop organisational capability frameworks and align their HR functions more expeditiously and with greater confidence.
UNI's capacity to fully realise the benefits from the alignment of HR functions facilitated by the research project will naturally depend on the political will and determination of HR practitioners. I remain grateful to UNI for their support in conducting this research, and wish them every success.

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Attachments

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**Attachment 1: Criteria for Defining Job Competencies (Shippmann et al. 2000 pp. 716-720)**

<table>
<thead>
<tr>
<th>Variable</th>
<th>1 low rigor</th>
<th>2 low/medium rigor</th>
<th>3 medium rigor</th>
<th>4 medium/high rigor</th>
<th>5 high rigor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Method of investigation</td>
<td>The same method for collecting information is employed, regardless of setting or target population.</td>
<td>Same two methods used every time regardless of the research setting and intended application.</td>
<td>Variable combination of two methods used, depending on some effort to consider the constraints of the research setting.</td>
<td>Variable combination of two or three methods used, depending on the research setting, target population, and intended application.</td>
<td>A variable combination and logically selected mix of multiple methods are used to obtain information depending on the research setting, target population and intended application.</td>
</tr>
<tr>
<td>Type of descriptor content collected</td>
<td>Same type of information collected every time, regardless of intended application(s).</td>
<td>Same two types of information collected every time, regardless of intended application(s).</td>
<td>Variable combination of two types of information collected, depending on the intended application(s).</td>
<td>Variable combination of two or three types of information collected, depending on the intended application(s).</td>
<td>Variable combination of multiple types of information collected, depending on intended application(s).</td>
</tr>
<tr>
<td>Procedures for developing descriptor content</td>
<td>No effort to gather information from content experts; instead, the researcher or analyst serves as solo content expert.</td>
<td>Information is gathered from convenient samples of content experts using ad hoc or unstructured procedures. No qualification criteria are used to identify individuals in the best position to serve as content experts.</td>
<td>Information is collected from a large number of content experts using a semi-structured protocol. Some effort is made to identify individuals most qualified to serve as content experts.</td>
<td>Information collected from content experts using a structured protocol and with reference to a fairly well thought out sampling plan. Content experts meet some qualification criteria.</td>
<td>Information collected from content experts using a structured protocol and following a logically developed sampling plan with a comprehensive and representative sample. Content experts meet some qualification criteria.</td>
</tr>
<tr>
<td>Variable</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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<tr>
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<td>---</td>
</tr>
<tr>
<td><strong>4</strong> Detail of descriptor content</td>
<td>Handful of broad labels representing categories of content, with no associated definitions.</td>
<td>Broad labels with narrative definitions or a small sample of descriptor items serving as the operational definition.</td>
<td>Moderately specific labels representing different categories of content and a mix of descriptor items helping to operationally define each category.</td>
<td>Fairly precise labels representing different categories of content that subsume fairly comprehensive sets of item-level descriptors which operationally define each category.</td>
<td>A number of precise labels representing discrete categories of content that subsume very comprehensive and crisply defined sets of item-level descriptors which operationally define each category and leave no room for misinterpretation.</td>
</tr>
<tr>
<td><strong>5</strong> Link to business goals and strategies</td>
<td>No attempt to understand business context or broader goals and long-term strategies of the organisation.</td>
<td>Minimal effort to research the business context and review strategy-related documents to ensure results are aligned with the broader goals and long-term strategies of the organization.</td>
<td>Modest effort to research the business context and review strategy-related documents to ensure results are aligned with the broader goals and long-term strategies of the organization.</td>
<td>Substantial effort to research the business context and review strategy-related documents, as well as meetings with HR and/or line managers who are aware of the organization’s plan, in an effort to ensure the results are aligned with the broader goals and long-term strategies of the organisation.</td>
<td>Significant effort to research the business context and review strategy-related documents, as well as meeting with top executives responsible for setting strategies, to ensure the results are aligned with the broader goals and long-term strategies of the organisation.</td>
</tr>
<tr>
<td>Variable</td>
<td>1 low rigor</td>
<td>2 low/medium rigor</td>
<td>3 medium rigor</td>
<td>4 medium/high rigor</td>
<td>5 high rigor</td>
</tr>
<tr>
<td>----------</td>
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<td>-------------</td>
</tr>
</tbody>
</table>
| 6 Content review | No content review. | Brief review of rationally created solution with the client sponsor to ensure:  
- Item-level descriptors are clear. | Formal review of rationally created solution by client project leaders to ensure:  
- Item-level descriptors are clear, and  
- Content categories do not overlap. | Formal review of rationally created solution by client project leaders and a technical review team to ensure:  
- Item-level descriptors are clear  
- Content categories do not overlap, and  
- Content categories are parsimonious and internally consistent. | Formal review of rationally created solution by client project leaders, technical review team, and potential end users of the application built from the solution to ensure:  
- Item-level descriptors are clear  
- Content categories do not overlap  
- Content categories are parsimonious and internally consistent, and  
- Items and categories represent measurable content appropriate for the intended application. |
<p>| 7 Ranking descriptor content | None. The final descriptor set is an unprioritized set of narrative content describing the target job group. | Based on participation in interviews, focus group etc, the researcher or analyst serves as expert and rationally creates an ordinarily prioritized descriptor set of broad labels. | Based on some procedure for weighting the judgments of a small group of content experts, an interval prioritization of the final descriptor set is derived. | Some mix of questionnaire, electronic monitoring, observation, diary data recording or other methods are used with a fairly large sample of content experts to collect data that is empirically used to create an interval prioritization of the detailed descriptor set. | Some mix of questionnaire, electronic monitoring, observation, diary data recording or other methods are used with a comprehensive and representative sample of content experts to collect data that is used empirically to create an interval prioritization of the detailed descriptor set. |</p>
<table>
<thead>
<tr>
<th>Variable</th>
<th>1 low rigor</th>
<th>2 low/medium rigor</th>
<th>3 medium rigor</th>
<th>4 medium/high rigor</th>
<th>5 high rigor</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td><strong>Assessment of reliability</strong></td>
<td>No effort to assess consistency or reproducibility of the results.</td>
<td>Based upon discussions with a convenient/casual sample of content experts, the analyst concludes that there is general agreement among the expertise regarding the meaningfulness and relevance of the categories of content.</td>
<td>A convenient/casual sample of content experts perform some rating task. Results are expressed in terms of the average inter-correlation of the ratings.</td>
<td>Multiple systematic samples of content experts are involved in matching content category labels with definitions and perform some rating task. Results are expressed in terms of percent correct matches and the average inter-correlations of the ratings.</td>
</tr>
<tr>
<td>9</td>
<td><strong>Item/category retention criteria</strong></td>
<td>None. All created items/categories retained.</td>
<td>A single criterion is applied to items and categories to determine retention or deletion, though the criterion is somewhat unclear of inconsistently applied.</td>
<td>A single clear, logical criterion is consistently applied to items and categories to determine whether content is retained or deleted.</td>
<td>Two clear, logical criteria are consistently applied to items and categories to determine whether content is retained or deleted.</td>
</tr>
<tr>
<td>10</td>
<td><strong>Documentation</strong></td>
<td>None.</td>
<td>Brief handwritten notes.</td>
<td>Summary file memo referencing related user material and outputs.</td>
<td>Standardized final report “shell” document with appropriate information and data slotted in.</td>
</tr>
</tbody>
</table>
Attachment 2: Baxter Magolda Model of Epistemological Development, as defined by Felder and Brent (2004, p. 274)

<table>
<thead>
<tr>
<th>Absolute Knowing</th>
</tr>
</thead>
<tbody>
<tr>
<td>All knowledge that matters is certain; all positions are either right or wrong. Authorities have The Truth and the responsibility to communicate it, and the students’ job is to memorize and repeat it.</td>
</tr>
<tr>
<td>Mastery pattern (more men than women): Students raise questions to make sure their information is correct and challenge deviations from their view of the truth.</td>
</tr>
<tr>
<td>Receiving pattern (more women than men): Students take in and record information passively, without questioning or challenging it.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transitional Knowing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Some knowledge is certain and some is not. Authorities have the responsibility to communicate the certainties, and the students are responsible for making their own judgments regarding the uncertainties.</td>
</tr>
<tr>
<td>Impersonal pattern (more men than women): Make judgments using a logical procedure prescribed by authorities. Full credit is deserved for following the right procedure, regardless of the clarity of the reasoning and the quality of the supporting evidence.</td>
</tr>
<tr>
<td>Interpersonal pattern (more women than men): Base judgments on intuition and personal feelings; distrust logical analysis and abstract reasoning.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Independent Knowing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most knowledge is uncertain. Students take responsibility for their own learning rather than relying heavily on authorities or personal feelings. They collect and use evidence to support judgments, but often superficially, and believe that when knowledge is uncertain all conclusions regarding it are equally good if the right procedure is used to reach them.</td>
</tr>
<tr>
<td>Individual pattern (more men than women): Rely on objective logic, critical thinking, and challenging their own and others’ positions to establish truth and make moral judgments.</td>
</tr>
<tr>
<td>Interindividual pattern (more women than men): Rely on caring, empathy, and understanding of others’ positions as bases for judgments.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contextual Knowing</th>
</tr>
</thead>
<tbody>
<tr>
<td>All knowledge is contextual and individually constructed. Students take responsibility for making judgments, acknowledging the need to do so in the face of uncertainty and ambiguity. They use all possible sources of evidence in the process – objective analysis and intuition, their own thoughts and feelings and ideas of others whose expertise they acknowledge – and they remain open to changing their decisions if new evidence is forthcoming.</td>
</tr>
</tbody>
</table>
Attachment 3: Background to UNI Case Study

The UNI Case Study, tracks a 2 ½ year project at a large Australian University from October 2000 until March 2003 that provided an excellent examination of the proposed Model of Organisational Capability (MOC). The university employs approximately 4,000 employees.

The researcher performed the dual role of researcher/employee at the time of the research. This provided many advantages in terms of access to information and an appreciation of the political sensitivities of the organisation. Limitations of a single Case Study and questions of objectivity are raised. It would not be possible for a single researcher to examine the MOC at the required depth for exploratory research, in more than one organisation. It would also be extremely difficult to explore such issues without being a part of that organisation.

The researcher left UNI’s employment in November 2003. As such this thesis has been written with the advantage of distance between UNI and the researcher, having divested all political agendas and interests before preparing the thesis. During the project diary notes were kept, which formed the basis of the diary log (Attachment Four), which shows the events, source documents and issues raised during the project.

The majority of archival documentation collected for this research is in the form of emails, project briefs, diary logs, discussion papers and formal presentations. Typically in qualitative research, formal interviews are carried out to collect information. Given the researcher’s employee status at the time of the project, structured interviews would not have been acceptable to HR managers. Numerous meetings and discussions occurred, often as part of regular weekly meetings between the researcher and Associate Director Strategic Services (ADSS) and the HR Director. These were well established working relationships, with the researcher having worked in the Human Resources Department (HRD) for two years prior to the commencement of the project. The taking of formal minutes would not have been appropriate given that this was primarily a work project. The archival evidence does however track the intentions and outcomes of these discussions, and therefore substantiates the processes as described.
Background to the Case Study

The background to the UNI Case Study provides important contextual information that will assist in understanding the environment and political considerations. The background details formal organisational structures and reporting relationships and the relevant initiatives within HR that impacted on the project. The dual role of the researcher within UNI as employee and researcher is also described.

Organisational Structures

The organisational structure of UNI at the time of the project is important background information to understanding the formal decision-making processes. For the purposes of the Case Study, an organisational structure chart showing the major stakeholders and reporting lines is presented in Figure 1.

![UNI Organisational Structure Chart](image)

The Vice-Chancellor (VC) meets with his executive and direct reports regularly, and also convenes a group known as the Vice-Chancellor’s Advisory Group (VCAC), which also includes the deans of faculties. UNI also identifies its Senior Management Group (SMG) as its most senior 200 staff, which comprises VCAC members plus other senior academics (Professors, Heads of School and Heads of Centres) and senior general staff [mainly Associate Directors and Directors (Higher Education Works HEW 12 – 14)]. The memberships of these groups are graphically represented in Figure 2.
The structure within HR is represented in Figure 3. The HRD employed approximately 60 staff, 12 of whom were employed in Strategic Services Section, three in Health and Safety Section and approximately 45 in Client Services Section. Client Services provided the HR support to Faculties and Divisions, including policy development and employee relations services. Strategic Services focused on performance management, staff development, and organisational review and development work. The HR Director at the time the project commenced had a high profile within the university.
Figure 3: UNI Organisational Structure Chart of HR Department

The researcher's role within UNI at the time of the research was as Senior HR Officer (Organisational Review and Development). In that role the researcher managed the 1999 and 2002 Staff Satisfaction Surveys, developed and implemented a Change Management Policy and web-site, advised senior staff on substantial organisational restructures, and prepared the HR submission for Faculty and Division performance reviews. As such, for the two years prior to commencing the research, the researcher had acquired a detailed understanding of UNI's HR systems and processes, and the politics of implementing change.

Current Initiatives with HR

HR had been involved in a number of initiatives that would influence the Workforce Capabilities project. HRD staff's knowledge of people management issues at UNI came from their experience in four main HR initiatives:
Staff Satisfaction Survey for 1999 (EOS)
- Quality Leadership Profile of Senior Staff (QLP)
- Supervisors Development Profile (SDP)
- Section Item Bank Project

Employee Opinion Survey
The EOS was conducted by external consultants, with HR managing the contract and the process for UNI. The consultants’ report identified four priorities for improving staff satisfaction – recognition, UNI management, organisational efficiency and communication. The items from the questionnaire reveal a number of specific priorities outlined by the external consultants’ report:
- more focus on performance
- more feedback to staff
- greater involvement and communication
- recognising team efforts
- rewarding innovation
- dealing with poor performers
- closer relations between faculties
- removing unnecessary functions
- greater consultation
- open decision making, and
- keeping all staff better informed.

Quality Leadership Profile
The Senior Staff Group utilised a Quality Leadership Profile (QLP) as a form of 360-degree feedback on their performance. This was a well-regarded instrument that had been sold to many other Universities in Australia, and was seen as having solid reliability and validity. In 2000 a review of the QLP instrument identified key capabilities of senior managers’ roles as viewed by a representation of UNI’s senior staff from both academic and general ranks. The rigorous item development process and statistically validated factor highlighted the following aspects:
- Staff Interaction and Motivation (Staff Development, Consultative Management, Creating a Team Environment)
• Strategic and Operational Management (Managing Systems and Processes, Making Decisions, Fostering Innovation and Change)
• Client and Community Focus (Client Focus, Community Outreach) and Academic Leadership

Supervisor Development Profile

For general staff with supervisory responsibilities a Supervisor Development Profile had been designed to provide them with ‘360-degree’ feedback. A review of perceived developmental priorities from 1994 to 2000 resulted in a clear picture of leadership practice that continued to inform the content of the Senior Management Development Program, with the highest priorities being:

• consultative management
• creating action
• teamwork skills
• vision and direction
• development of self and others.

Academic Professional Development

The Academic Professional Development Program (APD) activities are guided by the following desired capabilities, based on a review of the literature on competencies required by senior academics:

• Capacity to work effectively in teams
• Capacity to manage staff and resources
• Capacity to work effectively as an academic (junior academics)
• Capacity to develop own career
• Capacity to demonstrate effective personal/professional skills
• Capacity to effectively discharge administrative duties.
Performance Management
The Performance Management approach at UNI, was referred to as Performance Planning and Review (PPR). This system has been operating at UNI for many years, and involves staff and supervisors agreeing on performance goals and development needs. UNI has experienced difficulty getting staff to engage with the systems and many staff do not participate in PPR processes. The PPR process was heavily criticised by UNI staff in the 1999 and 2002 EOS.

Workforce Planning
Workforce planning at UNI has a relatively high profile. Workforce plans of faculties and divisions are approved annually by the Deputy Vice-Chancellor and HR Directors. These plans are overwhelmingly budgetary processes, and used as a means of controlling labour costs of faculties. Workforce planning at the commencement of the project did not include capability profiles of staff.

Selection Item Bank Project
During the project, HR Client Services initiated a project to develop an Item Bank of selection criteria and job interview questions for mid-level general staff positions up to HEW 10. The Item Bank was designed to assist HR Advisors and clients reviewing and developing selection criteria for position descriptions. A review was carried out of 100 position descriptions of general staff up to HEW 10 level.

The project was limited by its assumption that past competencies would be relevant for the future, and its focus on lower level positions. Nevertheless, the project did provide an understanding of the existing focus of such positions within UNI. The project identified eleven competencies in a standard format, ten of which could be mapped against the Core OC framework (the health and safety competence was not seen as relating to the Strategic Intent Domain).
### Attachment 4: Diary Log for UNI Case Study

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Source Documents</th>
<th>Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Phase One</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 Oct 2000</td>
<td>ADSS and Researcher</td>
<td></td>
<td>UNI not yet clear on what is wanted.</td>
</tr>
<tr>
<td></td>
<td>meet to discuss the</td>
<td></td>
<td>Conscious lack of link between HR development programs and strategic direction</td>
</tr>
<tr>
<td></td>
<td>need for a framework</td>
<td></td>
<td>Sought a framework that linked with the strategic planning framework and HR programs.</td>
</tr>
<tr>
<td></td>
<td>that 'made sense' of</td>
<td></td>
<td>Looking for a means of establishing the HR agenda.</td>
</tr>
<tr>
<td></td>
<td>HR development</td>
<td></td>
<td>Realisation this is an abstract concept even for HR professionals, lack of direction from literature on how to approach, need for approach to be highly tailored to organisational context.</td>
</tr>
<tr>
<td></td>
<td>initiatives.</td>
<td></td>
<td>Need meta-framework that legitimized HR focus.</td>
</tr>
<tr>
<td>28 Jan 2001</td>
<td>First Project Brief</td>
<td>A1.1</td>
<td>Dimension of the project and strategic linkages were becoming obvious. Clearly the terms of reference were moving beyond a HR development focus.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Lessons for UNI</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>› Need to link with business imperative of UNI – Resources Plan and Workforce Plan</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>› Need to be consistent with stakeholders’ expectations and power base of HR</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>› Need to be consistent with strategic direction of UNI</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>› Need to involve stakeholders in formation of priorities</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>› Need to address three time horizons in capabilities statement</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>› First cut can link with workforce plan for UNI, and be based on environmental scanning, HR indices and HR knowledge base</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Questions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>› How is the strategic plan updated annually, and how and when should we be looking to link in with this?</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>› What is the planning time frame?</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td>› Who in the SSG will champion this project, and who will not?</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td>› What process of involvement would stakeholders want or expect?</td>
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<td></td>
<td></td>
<td></td>
<td>› What level of consultation is required within HR?</td>
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<td></td>
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<td></td>
<td>› Are there other projects impacting on this that need to be considered?</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Project not yet clear how to respond to this potential change of scope. Not clear if the project has the necessary</td>
</tr>
<tr>
<td>Date</td>
<td>Event</td>
<td>Source Documents</td>
<td>Issues</td>
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<td>------------</td>
<td>-----------------------------------------------------------------------</td>
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<td>----------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Feb 2001</td>
<td>Presented project plan to HR director including summary of literature</td>
<td>A1.2</td>
<td>political support to sponsor such a scope change. New idea, difficult to clarify scope and time frames – considered literature and paper from Ruth Dunkin RMIT presented at SSC 2000.</td>
</tr>
<tr>
<td></td>
<td>and learnings from other organisations</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>28 Ap Met with UNI Researcher</td>
<td>A2.1</td>
<td>Need to bolt capabilities onto strategic direction</td>
</tr>
<tr>
<td></td>
<td>Strong linkage identified here in recruiting for cultural fit, idea</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>that if capabilities could help define our cultural fit and priorities</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>then this could be used as a filter in recruitment.</td>
<td></td>
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<td></td>
<td>Recruitment of future will screen for individual competence and</td>
<td></td>
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<tr>
<td></td>
<td>applicants that fit culturally and have the organisational</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>capabilities the firm desires, potential link with capabilities.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Phase Two</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar</td>
<td>ADSS presents ‘New Breed Capabilities’ at UNI managers leadership</td>
<td>A1.4</td>
<td>Example of how ‘Learning and Innovative Workplace’ was defined</td>
</tr>
<tr>
<td></td>
<td>forum</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar</td>
<td>HR Strategic Services Group develop UNI capabilities and</td>
<td>A1.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>underpinning competencies</td>
<td>A1.6</td>
<td></td>
</tr>
<tr>
<td></td>
<td>9 Ap Presentation on E-Recruitment</td>
<td>A1.7</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Strong linkage identified here in recruiting for cultural fit, idea</td>
<td>A1.8</td>
<td></td>
</tr>
<tr>
<td></td>
<td>that if capabilities could help define our cultural fit and priorities</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>then this could be used as a filter in recruitment.</td>
<td></td>
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<tr>
<td></td>
<td>Recruitment of future will screen for individual competence and</td>
<td></td>
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<tr>
<td></td>
<td>applicants that fit culturally and have the organisational</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>capabilities the firm desires, potential link with capabilities.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>28 Apr 2001</td>
<td>Met with UNI Researcher</td>
<td>A2.1</td>
<td>Need to bolt capabilities onto strategic direction</td>
</tr>
<tr>
<td></td>
<td>Concern by Researcher of floundering to establish valid capabilities.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Various attempts at linking to current HR</td>
<td></td>
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</tr>
</tbody>
</table>

Leanne Margaret Gill

- 210 -
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Source Documents</th>
<th>Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>22 May 01</td>
<td>Revised project plan submitted to HR Director</td>
<td>A2.2</td>
<td>Acceptance of need for qualitative analysis formal acceptance of need for broader than people mgmt and acceptance of link with workforce planning.</td>
</tr>
<tr>
<td>12 Ju 01</td>
<td>Researcher went to Nud*st Training (ITS)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>July 01</td>
<td>Qualitative Analysis of Corporate Documents and industry directions</td>
<td>A2.3, A2.4, A2.5</td>
<td>Provided a much stronger whole of UNI perspective and beyond personal agendas and focus, some subjectivity in identifying these nodes and nodal tree dependencies. It was agreed that this could be overcome by having ADSS also analyse the source data and produce an independent nodal tree, this never happened. Significant consistency with earlier EOS and QLP analysis, but new list provided far more information and clearer definitions of these constructs.</td>
</tr>
<tr>
<td></td>
<td>Email from ADSS to Teaching and Learning Director</td>
<td>A2.6</td>
<td>Link between Teaching and Learning capabilities and WFC project</td>
</tr>
<tr>
<td></td>
<td>Phase Three</td>
<td></td>
<td></td>
</tr>
<tr>
<td>July 01</td>
<td>8 Cross-Sectional Workshops</td>
<td>A 3.1, A3.2, A3.3, A3.4, A3.5</td>
<td>Teaching, learning and research excluded at this stage due to concern of intrusion into other work being done at that time, first link with career skills/planning as an outcome. First planned ratification by VCAC, first opportunity for senior staff outside of HR to be involved, first presentation of topic outside of HR, first public discussions of strategic capabilities, first public discussion of broad strategic focus of capabilities.</td>
</tr>
</tbody>
</table>

Diary Notes: Academic suggested we used a Delphi audit once we established a framework. A draft framework could be developed by looking at HR data and strategic plans, then refined using focus groups. This could then be incorporated into a paper outlining how the capabilities could affect the senior staff, using them as the reference group.
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Source Documents</th>
<th>Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug 01</td>
<td>Revised Framework and definitions sent to HR Director</td>
<td>A3.6</td>
<td>Issue of inclusion of Teaching, Learning and Research still on agenda, excluded at this stage, acknowledgment at this stage that a &quot;bundle of skills, knowledge and values/attitudes underpinned each SC, but not explore other than by definition at this stage. Acknowledgement of relevant of expert input into specific SC</td>
</tr>
<tr>
<td>Phase Four</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 Aug 01</td>
<td>Email from Researcher to ADSS confirming the need to proceed to contextualize the capabilities</td>
<td>A4.1</td>
<td></td>
</tr>
<tr>
<td>Spt 01</td>
<td>Went to Faculty of engineering presentation on Student Capabilities</td>
<td>A4.3 A4.4</td>
<td>Link with other Capabilities work being done for students identified, potential for data base to capture Strategic Capabilities realised, potential to piggy-back on corporate familiarity with approach and language and software identified, there approach had each capability further defined in terms of four levels of skills – student capability very much a true competence model.</td>
</tr>
<tr>
<td>21 August</td>
<td>Expert Focus Group approach identified to work on each cluster, need to develop a process for developing competency</td>
<td></td>
<td>Response to involving senior staff, gathering further buy-in and not being restricted by HRs conceptual focus</td>
</tr>
<tr>
<td>8 Oct 01</td>
<td>Met with Educationalist Researcher from TALSS Explained Perry and Biggs and Collis models of levels of intelligence</td>
<td></td>
<td>Input of Perry’s model of skill development, taping into a taxonomy familiar to academics developing student capabilities. See application of Perry model to levels of staff capability, added advantage of being familiar to many academics.</td>
</tr>
<tr>
<td>Nov 01</td>
<td>Email to Educationalist with reordered SC based on Perry</td>
<td>A4.5</td>
<td>Re-ordering of SC within four clusters within framework in light of Biglan and Kolb’s models, soft-applied, concrete-abstract.</td>
</tr>
<tr>
<td>Dec 01</td>
<td>Proposal on focus</td>
<td>A4.6</td>
<td>First suggestion to VACAC that: capabilities could be used to rationalize learning and development offerings</td>
</tr>
<tr>
<td>Date</td>
<td>Event</td>
<td>Source Documents</td>
<td>Issues</td>
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<td>------------</td>
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<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>– Feb 02</td>
<td>groups for VCAC</td>
<td>A4.7, A4.8</td>
<td>and costs to UNI, self assessment by staff, first mention of possible link to PPR, work area skills audits for managers, link with recruitment and selection items banks. Invitation of input to VCAC members</td>
</tr>
<tr>
<td>Feb/Apr 02</td>
<td>Expert Focus groups</td>
<td>A4.9, A4.10, A4.11, A4.12</td>
<td>Realisation that the 4 levels didn’t cover the more advanced elements – based on Hew 1-10, wording too vague, review the 2nd order items and limited movement of SC. Participants found Biggs model hard to work with and used the continuums more readily and added to these 2nd order items based on item banks developed for general staff Hew 1-10 (from looking at SC) Biggs and Collis – 4 levels (uni-structural, multi-structural, relational, extended abstract) Continuums of Skills (follows/initiates, certainty/uncertainty, defined/undefined, simple/complex, narrow/broad, complying/creating, operational/strategic, convergent/divergent, functional/value driven) Seen as relatively complex idea at first, but srn managers were able to embrace the concepts. 4 clusters were well liked. High enthusiasm amongst the groups and interest in the project. Change in the way we look at UNI, across discipline boundaries, some found difficult at first.</td>
</tr>
<tr>
<td>26 Mar 02</td>
<td>Meet with TALSS</td>
<td></td>
<td>Recognised that framework needed to include teaching and learning. TALSS conducting focus groups to look at teaching capabilities, looking at linking with work force capabilities.</td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td>Phase Five</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>27 Feb 02</td>
<td>Attended Knowledge Management Seminar</td>
<td>A5.1</td>
<td>Reinforced that a simple extension to look at tacit and explicit source of knowledge per SC would be worthwhile.</td>
</tr>
<tr>
<td>29 Apr – May 02</td>
<td>Email to HR Players on impact of Capabilities on other HR systems</td>
<td>A5.2, A5.3, A5.4</td>
<td>Greater depth of understanding of link with other HR systems – PPR, development programs, need for ownership outside of HR.</td>
</tr>
<tr>
<td></td>
<td>ADSS and Researcher synthesized workshop feedback into four level descriptors and reviewed framework</td>
<td></td>
<td>First inclusion of teaching into the framework, and stronger model with detailed understanding of broader UNI issues.</td>
</tr>
<tr>
<td>Date</td>
<td>Event</td>
<td>Source</td>
<td>Issues</td>
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<td>--------</td>
<td>----------------------------------------------------------------------</td>
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<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>25 Ju 02</td>
<td>Meet with ITS Director, Potential for tool based on UNI data base was explored. Link with upgrade of UNI Virtual identified, similarities with student capabilities agenda.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>HR developers map their programs onto capabilities</td>
<td>A5.5</td>
<td>First real outcome of framework, informed a realignment of HR programs, and demonstrated acceptance from HR developers.</td>
</tr>
<tr>
<td>May 02</td>
<td>HR first strategic conversations based on workplace values</td>
<td>A5.6</td>
<td>First indication that 4 clusters and language being adopted by UNI in other forums</td>
</tr>
<tr>
<td>Aug 02</td>
<td>Updated project brief</td>
<td>A5.7</td>
<td>Stronger link with workforce planning identified.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A5.8</td>
<td>Focused on promulgation, new project brief focused on ITS implementation.</td>
</tr>
<tr>
<td>Sept 02</td>
<td>VC Presentation on capabilities concept</td>
<td>A5.9</td>
<td>Focused on problems of lack of direction for HR programs and PPR</td>
</tr>
<tr>
<td></td>
<td>Support for concept</td>
<td></td>
<td>OK from registrar to develop thinking on an implementation tool.</td>
</tr>
<tr>
<td>Nov 02</td>
<td>Meet with ITS Director to discuss user requirements</td>
<td>A5.10</td>
<td>Built on cultural familiarity with PPR discussions as bases of data, development of individual profiles with aggregated reports for management use, links with learning and development that match individual needs and knowledge management portal, recruitment and selection items banks to be aligned, ability for Fac/Div exec to inform, career planning tools, link with workforce planning.</td>
</tr>
</tbody>
</table>
Attachment 5: Successful Strategies/Influences and Learnings from the UNI Case Study, and the Four Steps to Building Core OC and Principles for Practitioners

<table>
<thead>
<tr>
<th>Successful Strategies/Influences and Learnings (Chapter Five)</th>
<th>Steps (Table 6.1)</th>
<th>Contextual Principles (Table 6.2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Phase One</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Involving a broad working group from within HRD enabled the project to benefit from perspectives across a range of HR disciplines.</td>
<td>1.7 1</td>
<td></td>
</tr>
<tr>
<td>Leading the project from within HRD enabled it to be initially mapped against current HR initiatives, such as workforce planning.</td>
<td>1.2 2</td>
<td></td>
</tr>
<tr>
<td>Consulting with other organisations that had explored similar issues made the researcher aware of the importance of senior managers’ sponsorship of the project. This caution prevented the project from progressing until an appropriate methodology was developed.</td>
<td>1.3 3</td>
<td></td>
</tr>
<tr>
<td>The methodology for developing the framework needed to build on current understanding of UNI, such as the staff satisfaction and leadership profiles.</td>
<td>1.2 3</td>
<td></td>
</tr>
<tr>
<td>Using project briefs as a means of communicating possible approaches helped to guide the project.</td>
<td>1.5 1</td>
<td></td>
</tr>
<tr>
<td>Reviewing the literature and using Prahalad and Hamel’s(1990) definition of Core OC assisted with the engagement of the ADSS and HR Director.</td>
<td>1.6 1</td>
<td></td>
</tr>
<tr>
<td>Investing time in the contracting phase assisted the project to be well positioned politically.</td>
<td>1.5 1</td>
<td></td>
</tr>
<tr>
<td>The methodology for developing the framework needed to be linked directly with the Model of Organisational Capabilities’ (MOC) Strategic Intent Domain</td>
<td>1.1 2</td>
<td></td>
</tr>
<tr>
<td>It was difficult for the HR Director to decide if the scope of the project should extend beyond the traditional HR people-management focus to include UNI’s broader operating context</td>
<td>1.1 1</td>
<td>1.2 4</td>
</tr>
<tr>
<td><strong>Phase Two</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grounding the framework on the UNI strategic plans at faculty and divisional level gave HRD the confidence that they were correctly interpreting the Strategic Intent Domain, as they were able to draw on the language used by senior managers in their own planning documents.</td>
<td>2.1 1</td>
<td></td>
</tr>
<tr>
<td>Incorporating HRD knowledge of UNI through the staff satisfaction surveys and leadership profile assessments enabled the framework to reflect the views of staff and management.</td>
<td>1.2 1</td>
<td>2.1 2</td>
</tr>
</tbody>
</table>
## Successful Strategies/Influences and Learnings (Chapter Five)

<table>
<thead>
<tr>
<th>Learnings from each Phase of the Case Study are in italics</th>
<th>Steps (Table 6.1)</th>
<th>Contextual Principles (Table 6.2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incorporating UNI vision statements and views on the future direction of the sector helped to broaden the framework to consider new and emerging issues across the sector.</td>
<td>2.2</td>
<td>1</td>
</tr>
<tr>
<td>The researcher's initial analysis of the plans gave HRD a defensible starting position to explore the framework with UNI senior managers.</td>
<td>2.1</td>
<td>3</td>
</tr>
<tr>
<td>The Nud*st analysis provided a breadth of understanding of the emerging framework, enabling the definitions of each to add meaning.</td>
<td>2.1</td>
<td>3</td>
</tr>
<tr>
<td>HRD's understanding of UNI's current strategic agendas enabled the revisions of the framework to reflect perceived priorities across UNI, making the project more appealing to senior staff.</td>
<td>2.3</td>
<td>4</td>
</tr>
<tr>
<td>The risk of rater bias was increased by having the qualitative analysis conducted solely by the researcher, without an independent assessment.</td>
<td>2.1</td>
<td>3</td>
</tr>
<tr>
<td>Uncertainty regarding the framework's jurisdiction over teaching and research made it difficult to determine if the capabilities should be described in terms of their university context.</td>
<td>1.5</td>
<td>1</td>
</tr>
</tbody>
</table>

### Phase Three

<table>
<thead>
<tr>
<th></th>
<th>Steps (Table 6.1)</th>
<th>Contextual Principles (Table 6.2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A cross-sectional workshop of senior opinion leaders enabled HRD to test the thinking behind the project, with the support from the group giving HRD greater confidence to broaden the scope to include teaching and learning, and seek senior leaders' support.</td>
<td>2.4</td>
<td>1</td>
</tr>
<tr>
<td>The qualitative analysis conducted before the workshop made HRD look professional and aware of the issues.</td>
<td>2.4</td>
<td>3</td>
</tr>
<tr>
<td>The consultative approach and use of the Policy Delphi Technique helped senior managers feel part of the project and reach consensus.</td>
<td>2.1</td>
<td>1</td>
</tr>
<tr>
<td>Grouping the capabilities into four clusters, helped to make the approach look simpler and more accessible.</td>
<td>2.5</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>2.6</td>
<td></td>
</tr>
<tr>
<td>Single rater error could have been reduced had another rater been made available.</td>
<td>2.1</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>2.4</td>
<td></td>
</tr>
</tbody>
</table>
### Phase Four

| The Policy Delphi Technique and expert focus groups based on disciplines helped senior staff engage with the project, and shaped the WFC framework. | 3.1 | 1.5 |
| Applying Biglan’s (1973) order to the framework made it more robust, as like-orientated capabilities were more closely aligned. | 3.1 | 3 |
| Developing continua using semantic differentials assisted focus group participants to rate the capabilities and apply Perry's (1975) taxonomy. | 3.2 | 3 |
| Perry's (1975) taxonomy of learning and performance enabled consistency between focus groups, and a more robust final model. | 3.2 | 3 |
| The Selection Item Bank Project mapping helped highlight the historical inadequacies of position descriptions, and increased support for the WFC project. | 1.2 | 2 |
| UNI's learning agenda and the exposure of some academics to learning taxonomies helped them to relate these concepts to organisational capabilities. | 1.1 | 5 |
| Having two focus groups on each cluster helped to engender a broad perspective of the individual disciplines. | 3.1 | 3 |
| Kolb’s (1981) learning styles did not inform the project, other than providing support for Biglan’s (1973) discipline continua. These were never promoted by the researcher. | 3.1 | 3 |
| The difficulties in specifying the nature of outcomes of the research in Phase One that reappeared in Phase Four could have prevented the project from developing the requisite level of definitions. Clearly the strategic nature of the project had not been fully understood by the ADSS in Phase One. | 1.7 | 2 |

### Phase Five

| The Workforce Capability Profiling System enabled a complex framework to be appropriately applied to individual situations | 4.1 | 1 |
| Support from ITS and the relationship between the researcher and the Director of ITS | 1.1 | 1 |
| The researcher's knowledge of UNI | 1.7 | 4.2 |
| The strategic implications of the WCP were not fully understood, making it more difficult for HRD to appreciate the implications of the framework, thus stalling implementation. | 1.7 |
Reference List


[www.corporateleadershipcouncil.com](http://www.corporateleadershipcouncil.com)


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Supplementary Material

Refereed Conference Articles

- Article and Referee Comments from Australian New Zealand Academy of Management

UNI Case Study Archival Raw Data (available to examiners on request)
BUILDING ORGANISATIONAL CAPABILITY:

Your future, your business

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BUILDING ORGANISATIONAL CAPABILITY:

Your future, your business

Key Words: Organisational Capability, Strategic Human Resources

Streams: P, A

Abstract:
Much has been written about the benefits to be derived from maximising organisational capability as a means of increasing competitive advantage, establishing human resource functions as a strategic partner and improving stakeholder satisfaction. However, there is very little in the research on how organisations build their organisational capability. This paper proposes a Model of Organisational Capability based on three domains – the Strategic Intent, Organisational Structures and Individual Knowledge. The Model explores how systems and processes can be aligned to maximize organisational capability. The model can be used by researchers to examine the forces that build organisational capability in organisations, and determine critical success factors. Practitioners wishing to maximize their organisational capability can draw on the Model and suggested steps, to assist them to explore the organisational capability agenda for their business.

1 Introduction

Much has been written about the benefits and impacts of organisational capability (OC) in the workplace. The role OC can play in organisations has been described as:
• Increasing competitive advantage through basing strategy on an understanding of the strengths and weaknesses of the workforce (Barney, 1991; Grant, 1991).

• Establishing the Human Resources Development function as a strategic partner. In this way OC acts as a linchpin between strategy and human resources (HR), therefore HR becomes a proactive source of competitive advantage, rather than reactive in focusing on performance gaps (Luoma, 2000; Ulrick & Lake, 1991).

• Driving organisational outcomes, such as stakeholder satisfaction and customer satisfaction (Ulrick & Lake, 1991; Yeung & Berman, 1997).

• Improving person-organisation fit from selection processes, more favourable employee attitudes, and reinforcement of appropriate organisational design (Bowen et al., 1991).

• Communicating valued behaviours, raising competency levels and reinforcing positive values (Finegold et al., 1998).

There is very little offered in the literature on how an organisation may build its OC. Although Prahalad (1998) identifies that OC development needs to be managed at the individual, team and organisational level, he does not offer an approach for developing desired OC. This point is clearly made by Finegold, Lawler III et al. (1998, p. 152) who suggest that “there are still no operational systems that would allow an organisation to go directly from a strategy calling for particular competencies to organizational systems in which particular competencies could be developed”.

2 Definition of Organisational Capability

OC according to Leonard-Barton (1992, p. 113-4) “is the knowledge set that distinguishes and provides competitive advantage”. This suggests that pursuit of greater organisational knowledge is a central motivator for organisations seeking to develop their OC. Nonaka (2002) defines knowledge as ‘justified true belief’. Delahaye (forthcoming) suggests a four
tier hierarchy of knowledge that reinforces the significance of the individual in the building of knowledge in organisations. His hierarchy builds from data with no meaning on its own; information having simple messages (for example, within the manual of procedures of an organisation); inert knowledge giving considered opinion (for example, within textbooks); through to embodied knowledge, held within the minds of individuals, that can be accessed at various times depending on conscious and sub-conscious cues.

The depth of understanding of how individual expertise is developed provides useful insights for OC. Taxonomies of how individuals learn proposed by several writers (Biggs & Collis, 1982; Perry, 1975; Stephenson, 1992; Sveiby, 1997) suggest that expertise is at the ultimate level when the knowledge, skills and abilities of the individual allow them to operate in new contexts and new ways, thus demonstrating innovation and flexibility. The goals of innovation and flexibility identified for individuals can be applied equally to organisations.

Therefore, this paper defines OC as the embodied knowledge set that supports competitive advantage through innovation and flexibility gained by building alignment between the expertise of the strategic direction, the organisational structure and the knowledge and expertise of the individuals in the workforce.

To assist organisations to build their OC, this paper proposes a Model of Organisational Capability (MOC), based on a review of the literature. A model can be a powerful vehicle for developing greater understanding of the critical domains and enablers that constitute OC.

3 Three Domains of Organisational Capability

The MOC suggested in this paper is based on three domains or spheres of influence – strategic intent, organisational structure and individual knowledge. Similar domains have also been identified as necessary for building knowledge and organisational performance (Boyatzis, 1982; Leonard-Barton, 1992; Prahalad, 1998).
3.1 **Strategic Intent Domain**

The Strategic Intent Domain is the first domain of the MOC. This domain explores the strategic direction of the organisation in terms of the Resource Based Theory of the Firm (RBTF) perspective of strategy development (Barney, 1991; Grant, 1991).

The traditional approaches to strategic planning assume resources will be readily sourced in the market, whereas the RBTF places an unequivocal value to the organisation’s human capital, and sees the strengths of the workforce as the starting point for strategy development. RBTF acknowledges the strategic value of the intangible resources of the organisation, and bases strategy development on the characteristics and qualities of these resources (Hayes, 1985; Luoma, 2000; Prahalad & Hamel, 1990; Teece et al., 1998; Ulrick & Lake, 1991).

The focus on human resources and intangible assets is supported by research on large innovative firms. This research has shown that successful organisations were able to identify their core strengths, and then use this understanding to determine a viable strategic direction (Pavitt, 1991; Prahalad & Hamel, 1990; Teece et al., 1998). The change in thinking about the strategy development approach is clearly stated by Hayes (1985, p. 118) “Do not develop plans and then seek capabilities, instead, build capabilities and then encourage the development of plans for exploiting them”.

The RBTF offers the following desired characteristics for the Strategic Intent Domain:

- **Explicit direction**

Organisations need to make explicit statements about their direction, or at least describe deliverables in strategic plans (Handy, 1994; Schön, 2002; Yeung & Berman, 1997). In most strategic plans this explicit direction is provided by the mission statement (Davidson & Griffin, 2003).

- **Qualities of workforce**
This requires an understanding of a workforce’s qualities, rather than merely budgetary focused profiling information (Grant, 1991; Pavitt, 1991; Teece et al., 1998). Such an understanding could be found in a knowledge audit report, or indirectly, in job descriptions.

- *Inform organisational processes*

  This includes management processes such as organisational structures and hierarchies, technical systems and the values and norms of the organisation (Leonard-Barton, 1992).

- *Inform future direction*

  Clearly defining probable future direction enables focused information-sharing across boundaries, and triggers the development of future expertise that individuals may need to develop to give the organisation optimum flexibility and direction for innovation (Hayes, 1985). Such future direction should be provided in the strategic plan, especially in the explicit strategies and the strategic objectives.

In summary, the Strategic Intent Domain should clearly define the capabilities of the workforce, inform organisational processes and inform future direction.

### 3.2 Organisational Structures Domain

The second domain reflects the Organisational Structures. This domain represents the traditional HR strategies and processes. The MOC identifies the following characteristics of the organisational structures domain:

- *Meaningful job roles*

  Job roles need to be sufficiently aligned with the strategic intent to anticipate changes. This allows both the organisation and individuals to be more flexible in how they respond to movements in the domains (Brannick & Levine, 2002; Handy, 1994; Nankervis et al., 2002; Shippmann et al., 2000).

- *Guided performance management*

  Guided performance management explicitly describes how jobs and organisational processes support the strategic intent, and can be used as a vehicle for organisational
change and learning (Delahaye, 2000; Mohrman Jnr & Hohrman, 1998; Scotts, 1999; Turner & Crawford, 1998).

3.3 Individual Knowledge Domain

The third domain of the MOC is the Individual Knowledge Domain. Every individual who is part of the organisation has their own unique knowledge, skills and abilities (KSA) that they bring to the organisation. These KSA reflect the whole person, of which their work roles are but only one facet. These KSA are seen as being context free, with a specific attribute having a fixed meaning in itself, and thus can be adopted in a range of work activities (Sandberg, 1994). For example, communication skills can relate to a variety of work contexts.

The characteristics of the Individual Knowledge Domain are as follows:

- **Clearly defined core KSA**
  This assists the organisation to develop the optimum workforce for the future by creating greater stability and career opportunities (Sandberg, 1994; Sveiby, 1997).

- **Current and future knowledge networks**
  Knowledge networks need to support both current job contexts and future potential innovations. Attention to supporting both provides the organisation with added flexibility in responding to changes in the defined core capabilities. These are seen as including both tacit and explicit knowledge networks (Leonard-Barton, 1992).

4 Model of Organisational Capability

The model, as shown in Figure 1, has three major sections – the three domains of strategic intent, organisational structures and individual knowledge, already discussed; three enablers that are formed by the intersection of the three domains; and Core OC, at the center of the model and formed by the intersection of the three enablers.
4.1 Organisational Capability

The intersections of the three domains of strategic intent, organisational structures and individual knowledge identify the enabling systems and processes that build the synergy and alignment between the domains. The three enablers of organisational systems, knowledge networks and job context become the basis for building OC. These enablers are:

- **Organisational Systems Enablers** from the Strategic Intent and Organisational Structures Domains. These are the organisational systems that embed the strategic intent into the organisational structures (Leonard-Barton, 1992; Sveiby, 1997), and include:
  - management processes such as business planning and workforce planning;
  - technical processes that support the business;
  - organisational values and norms; and
  - inert knowledge systems, such as career path planning.

For example, in university faculties, the workforce planning process could be seen as an organisational system enabler. This enabler includes information about the profile and expertise of the workforce that links the strategic direction of the university with the organisational structures.
Strategic Intent Domain

- **Knowledge Networks Enablers** from the Strategic Intent and Individual Knowledge Domains.

The Knowledge Networks Enablers reflect the KSA an individual possesses that can directly contribute to the organisation’s strategic purpose. These are the KSA a person has that aligns most closely to the strategic intent of the organisation, with the size of this overlap a strong indicator of the suitability or fit of the workforce. It is reflected by processes that encourage multi-disciplinary exchanges of tacit and explicit information sharing (Barney, 1991; Grant, 1991; Sveiby, 1997). For example, universities collect information on the research interests and grants profile of academic staff. This
information links the strategic focus of the university with the knowledge of individual academics.

- **Job Context Enablers** from the Organisational Structures and Individual Knowledge Domains.

  The Job Context Enablers represent the elements of an individual’s job that are reinforced by the organisation’s structure. How the organisation defines the work roles and organisational structures, guides staff as to which of their KSA are most valued. Individuals naturally bring a wide range of KSA to the roles they perform - only a subset of these will relate directly to the strategic context at any given time. Therefore, learning and development programs need to use job contexts to build the most relevant expertise of the individual. Extensive research shows that job contexts that support learning and development programs increase the learning of staff (Chappell et al., 2000; Gonczi, 1999; Sandberg, 2000a, 2000b; Schön, 2002). For example, universities define the roles and competencies required of senior academics. This defines for the academic which of their KSA most directly relate to their job role, and as such, are reflected in the organisational structure.

In summary, the three enablers of organisational systems, knowledge networks and job context, support the organisation to build its organisational capability. Bringing the three domains together provides the complete MOC. OC is built in organisations by aligning the organisational systems and processes represented in the model, to maximize the alignment of the enablers. Clearly, the greater the overlap between these three domains, the stronger the match between the expertise of the individual and the organisational structures that support and reinforce the strategic direction.
4.2 Core Organisational Capability

The organisation’s core capabilities are represented at the union of the three enablers, and provide the central focus for the MOC. The intersection of the three enablers forms the Core OC, which is supported by the development of organisational capability through the three enablers.

Applying Prahalad and Hamel (1990, p. 83-84) tests for organisational core competence and capability, which relates directly to the Core OC discussed in this paper, helps to clarify the difference between OC and a Core OC. Their criteria are as follows:

• provide potential access to a wide variety of markets
• make a significant contribution to the customer's perceived benefit of the product
• are difficult for competitors to imitate, and
• are broadly based across the organisation and are more visible to customers than competitors (Hamel & Prahalad, 1992).

To clarify the difference between OC and Core OC, the university examples of enablers, can show how systems and processes can differentiate between those aspects that are part of broader OC, and those that more directly help to build the Core OC of the organisation. The examples below focus on a Core OC of securing funding for university research programs:

• Organisational Systems Enablers – Workforce planning information is important to universities, who can spend in the vicinity of 80% of their budget on staff related costs. The establishment listing showing staff numbers by level is part of this information, and assists faculties prepare budgets, but does not support the Core OC. However, the staffs’ experience and performance in securing research funding and establishing strategic alliances with industry, support the Core OC.
• Knowledge Networks Enablers – The university database of staffs’ research interest can help to support information-sharing on issues of common interest to academics,
but does not support the Core OC. However, records of current research programs will support sharing of knowledge between disciplines that build Core OC.

- Job Context Enablers – All organisations need to define the roles and expectations of individuals. These roles are then reinforced by organisational structures and defined in job descriptions and role statements. Most academics need to undertake teaching and learning, and conduct research. However, the Core OC relates to an academic's ability to build alliances to secure ongoing funding.

This does not imply that the broader OC processes and systems are not important, but they do not directly build the competitive advantage to the same extent as the Core OC systems and processes (Leonard-Barton, 1992).

Although the Core OC is the intersection of all three Domains, the need for innovation and flexibility requires the supporting enabler’s systems and processes to be more broadly based. By having supporting systems and processes, the organisation can fine-tune their view on Core OC with minimal change in focus to the organisation’s systems and processes. The advantage of an OC agenda is the added flexibility of being able to respond to these changes by incremental movements in the enabling systems and processes that support the MOC. This mitigates the need for more radical changes that might otherwise be required if more quantum changes in knowledge were seen as required by the organisation.

5 Implications for Building Organisational Capability

An organisation with an effective MOC gives individuals a clear message of what KSA the organisation values now, and in the foreseeable future. By strengthening the enablers to support the Core OC, at least three additional benefits can be achieved:

- *Stronger competitive advantage and reduced risks - greater flexibility and innovation to respond to changing external influences.*
The knowledge networks, job contexts and organisational systems can be aligned to develop an appropriate depth of Core OC, based on a greater level of organisational knowledge.

- **Greater stability - organisations are better placed to make measured changes when their domains are well aligned.**

When the enablers are overtly aligned, adjustments that may be necessary, due to changes in Core OC can be more readily made. It is far easier to modify the alignment of existing processes and systems than to create new ones.

- **Individuals are more informed and empowered.**

The workforce can take responsibility for their own careers, as expectations are explicit.

The MOC offers researchers and practitioners a framework for defining and developing OC. The MOC can be used by researchers to examine the forces that build OC in organisations, and compare the approaches of different organisations, to determine critical success factors. Practitioners wishing to adopt an OC agenda can draw on the MOC to assist them to:

- Define their Core OC to provide a clear focus for developing the enabling systems and processes.

- Define their Domains of Strategic Intent, Organisational Structures and Individual Knowledge.

- Examine the alignment of enabling systems and processes to build their OC.

To maximize their Core OC, organisations need to focus on the following:

**Step 1:** Define the desired Core OC based on an understanding of the qualities of the three Domains of the strategic intent, organisational structures and knowledge of individuals in the workforce. This can be achieved in a number of ways, depending on the nature of the organisation. Stakeholder forums, analysis of strategic plans,
focus groups with senior managers, and environmental analysis can provide useful sources of information. Prahalad & Hamel's (1990) criteria is a useful guide to distinguishing between OC and Core OC. Once identified, these will need to be reviewed to accommodate changes in the three Domains.

Step 2: Review the characteristics of the three Domains and the degree of overlap in current systems and processes. Maximum overlap can be achieved by:

- Strategic planning processes based on RBTF perspectives formulating strategies that build on the intangible assets of the workforce.

- Building organisational processes that support a congruent message of the future direction of the organisation, for example:
  - performance management processes focusing on Core OC;
  - workforce planning processes based on Grant's (1991) model;
  - promote a culture, values and norms of the organisation based on performance, open sharing of information and self empowerment; and
  - knowledge management approaches that embed the Core OC by building the tacit and explicit knowledge of the organisation.

- Developing the optimum workforce by engaging and promoting staff with the expertise needed now, and in the future. Defining job roles that support the development of KSA to build an organisation’s competitive advantage. This can be achieved by behavioural competency based recruitment and selection, and targeted learning and development strategies.

6 Summary

Building Core OC requires alignment between the enabling systems and processes, as defined by the MOC. Strong broad OC supports the Core OC, providing organisations with greater capacity to be innovative and flexible, with increased competitive advantage. By defining an organisation’s Core OC the expectations of the workforce are explicit, enabling
employees to manage their own careers. Further research is needed on how organisations define their Core OC, and align their enabling systems and processes.

7 Reference List


### Australian New Zealand Academy of Management Reviewer’s Comments

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#### ANZAM 2004 Conference

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**Total Score: 20**

**COMMENTS**

The paper provides a thoughtfully constructed and potentially valuable model that can enable organisations to take effective action in building Organisational Capability. The model is based on a sound understanding of relevant literature, is explained carefully, and its relevance is articulated well. Further, the model is valuable in its elegance: it deals with key variables and examines the interaction of these, rather than overwhelming readers with explanatory detail. The result is an understandable model that suggests specific areas for organisational action, and which is relevant to the challenges of executives aiming to build competitive advantage. I felt improvements could be made in two areas. Firstly, there were numerous minor typos that needed to be addressed and language-related issues. For example, consider whether the bullet points in the Introduction all represent 'benefits of OC'. Secondly, some refinements of the model could be considered. Under 4.2 you say that core capabilities are at the union of the enablers, while on page 10 core OC is said to be the intersection of the three domains. It seems more likely to me that the domains intersect rather than the enablers; still, clarification would be valuable. Also, the descriptions of enablers (pages 6 to 8) all represent the 'enabling' as flowing in one direction: strategic direction impacts on individual knowledge and on org. structures, and org. structures impact on individual knowledge. Presumably, given what RBTF says, some enablers will allow influence to flow in the opposite direction. In summary, this is a suitable paper for inclusion, with minor revision needed.

*Leanne Margaret Gill*
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ANZAM 2004 Conference

Leanne Margaret Gill
**COMMENTS**

This paper sets out to define a model of how to build OC, and does this well. It achieves the practicality the authors note is currently lacking in the area, supported by relevant literature. The paper is generally written well and is clear. Some minor points include:
- on page one, the bullet points don't really all seem to be "benefits of OC" as the author(s) claim
- fixing minor typos throughout paper will enhance readability.