

8-14-2005

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Recommended Citation

Gulcin Cribb. (2005) "Human Resource Development: impacting on all four perspectives of the Balanced Scorecard." Aug. 2005.

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IFLA
2005
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World Library and Information Congress: 71th IFLA General Conference and Council

"Libraries - A voyage of discovery"

August 14th - 18th 2005, Oslo, Norway

Conference Programme:

<http://www.ifla.org/IV/ifla71/Programme.htm>

June 9, 2005

Code Number:

075-E

Meeting:

95 SI - Statistics and Evaluation with University Libraries

Human Resource Development: impacting on all four perspectives of the Balanced Scorecard

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Abstract:

This paper will discuss human resource development (HRD) in the context of the Learning and Growth perspective of the Balanced Scorecard (BSC) approach to strategic management in university libraries. "Learning and Growth" perspective focuses on the organisation's ability to continue to improve and create value for its stakeholders. The paper will explore human resource development in the context of the evolutionary process involving a shift from a training to a learning orientation in libraries in order to create value for the organisation's stakeholders which range from students, academic and general staff, the governing council, the alumni, the community to private and government organisations.

Last year I attended a teaching and learning workshop by one of our eminent Law professors at Bond University on "deep and shallow learning". His talk inspired me to explore the applicability of 'deep learning' within the 'Learning and Growth' perspective of Balanced Scorecard (BSC), particularly in relation to human resource development. Our law professor's list of desirable processes and outcomes for an individual or a group in relation to the development of emotions, knowledge, attitudes and skills for deep learning to occur included:

1. Connection of new to what is already known
2. Emotional engagement while learning (fun, pain?)

3. Sense of control while learning
4. Tolerance of complexity and ambiguity
5. Developing curiosity
6. Skill of applying knowledge to new situations
7. Conviction that the learning and development is personally important and 'meaningful'
8. Transformation of one's perspective on the world

These processes and outcomes are analogous to those many of us in libraries strive for in our human resource capital, as 'learning organisations'. Academics in universities teach to encourage students to develop curiosity, to apply knowledge to new situations, to tolerate complexity and ambiguity and to believe that they take personal responsibility for their own learning and development. Today's university students are tomorrow's workforce. Some of them may choose librarianship as a career.

My paper aims to discuss human resource development (HRD) in the context of the learning and growth perspective of the BSC approach to strategic management in university libraries. 'Learning and Growth' perspective is one of the four perspectives of the BSC, a strategic management and measurement tool or a method to integrate strategy and execution. This perspective focuses on the organisation's ability to continue to improve and create value for its stakeholders.

My proposition is that libraries as non-profit organisations need to create value for their institution's stakeholders. The concept of 'value creation' is used rather than 'return on investment' as libraries do not in general generate income in accounting terms and can not demonstrate return in dollars on the investment made by their parent organisations. It is important to look at the human resource development strategy from all four perspectives of the BSC in the process of aligning them to the goals of the organisation in order to create value for the stakeholders.

Learning and Growth Perspective

According to Kaplan and Norton who created the BSC in the early 90s, the learning and growth perspective "describes the organisation's intangible assets and their role in strategy" (Kaplan 2004). Kaplan and Norton identified three different sets of intangible assets essential to implement strategy (Kaplan 2004). These are:

- Human capital: The skills, talent and know-how of the organisation's employees or strategic competencies;
- Information capital: The information systems, networks and technology infrastructure of the organisation or strategic technologies;
- Organisational capital: The ability of the organisation to mobilise and sustain the process of change required to execute the strategy. The organisation's culture, its leadership, how aligned its people are with its strategic goals and employees' ability to share knowledge to create the climate for action.

In other words, an organisation's strategy depends on how its people, technology and organisational climate combine to achieve its goals and objectives.

If we can measure the level of alignment of these intangible assets to the organisation's strategy, we are able to assess how ready the organisation is strategically to remain competitive in an ever-changing environment. Kaplan and

Norton refer to this in terms of *strategic readiness* of the organisation. The BSC requires the use of sets of measures to evaluate how well an organisation is doing with each of its objectives. Each measure in turn has its own targets which then lead to a set of initiatives or an action plan to execute the strategy.

Typically, under the Learning and Growth perspective, a library may devise the following strategy to achieve multi-skilling with the objective of developing the necessary skills:

| Objective | Measure | Target | Initiative |
|--------------------------|-------------------------|----------------------------|---|
| Develop necessary skills | Strategic job readiness | Year 1: 70% Year 2: 90% | All staff undertake rotation of jobs by the end of Year 2 Desk rosters reorganised by the end of first 6 months Training of all staff in at least three different activities by the end of Year 1 |

Most organisations have the goal of developing their people. How do they then translate this goal to strategy and how do they measure whether the strategy has been successful or not? How do they know the level of strategic readiness of their human capital? It is essential to look at the value of the intangible assets in order to understand their contribution to strategy.

Valuing of intangible assets:

The shift in value from tangible assets (property, plant and equipment) to intangible assets (brands, intellectual property, people) has been evident for some time in many organisations. In the case of libraries, great physical collections, number of journal titles, size of the reference collection, number of seats in reading rooms, number of microform sets etc have defined what made great libraries, or what differentiated them from others. Yet these are input measures. The intangible assets in libraries include services, particularly innovative services, level of integration into the organisation, human resource capability, level of success in collaboration and partnership with targeted customer communities, usage of the collections, (print and electronic) and how responsive and proactive the staff and the services are to the needs of the customers. Stakeholders of libraries which include customers (students, staff, and the general public), the registrars, chief financial officers, vice-chancellors, governing bodies of our organisations and so on have different expectations regarding the value they expect the libraries to create for the organisation. Furthermore, different stakeholder groups have different expectations which may contradict each other from time to time. The concept of value is a function of expectations which is a relative concept and changes over time.

The following table illustrates the shift in the business world in terms of what is valued, what is important, what matters (Miyake 2002).

| From | To |
|--------------------|-------------------------|
| Production Driven | Customer Driven |
| Functional (Silo) | Process (Integrated) |
| Tangible Assets | Intangible Assets |
| Top Down | Bottom Up |
| Incremental Change | Transformational Change |
| Management | Leadership |

The challenge for libraries in recent years has been managing the shift from being internally focused, production driven towards becoming value-driven organisations. The next challenge is the creation of new measures, to replace the old input measures such as the number of books on the shelves, the number of loans and so on. What value are the libraries creating for their stakeholders? Libraries are only one of a great number of alternatives available to information consumers. They are one of the vendor stalls at the information marketplace. Libraries need to find not only new ways of adding value but also new ways of demonstrating it to their stakeholder communities.

The British Library recently used a team of economists to do an independent economic impact assessment of the BL to measure BL's direct and indirect value to the UK economy (British Library 2004). The economists used a contingent valuation technique. The findings were quite significant. For example, for every £1 spent by the British government on the BL, £4.4 was generated in terms of value for the British public. Studies like this are very rare in our profession as they are very costly to fund and complex to organise and communicate clearly to the stakeholders. The cost-benefit and overall impact of such large studies may not justify the effort and investment for smaller libraries. However, measuring the value of intangible assets in libraries is a strategic approach to help us demonstrate the value created to our stakeholders. It would also assist us manage our assets for higher return on investment, better asset utilisation, and higher productivity leading to a bigger share of the market.

Human Resource Development

A well-prepared and motivated workforce is possibly the most important of the three intangible assets to support an organisation's value creating processes. According to Peter Drucker "The most valuable asset of a 20th century company was its production equipment. The most valuable asset of a 21st century institution will be its knowledge workers and their productivity (Drucker 1999).

A great deal exists in the literature about the provision of staff development and training as investment for organisations. Staff development and staff training are parts of the bigger concept of human resource development (HRD). Training is just one possible way to organise and implement learning processes in organisations and not always the most effective one.

HRD encompasses the broad set of activities that improve the performance of the individual and teams, hence the organisation. Training and development have come to be viewed as **lifelong activity**, rather than the front end acquisition of qualifications. As a result, the focus of concern has shifted from what the trainer does, to what the learner requires. The ultimate aim of the training and development process has been characterised as the creation of the learning organisation, constantly reviewing its mistakes and successes and adapting its activities appropriately.

The issues of workforce demographics, desirable characteristics of the workforce and the obstacles to achieving the workforce which is well prepared, motivated and strategically ready in today's libraries, are key elements to be considered when discussing human resource development.

Current demographics

The age factor for the library workforce has been of considerable concern for the profession for sometime. This concern is based on the premise that as the Baby Boomer generation begins to reach retirement, a possible crisis of not having enough skilled staff may place libraries in a vulnerable situation.

Phil Teece reporting in the February 2004 issue of Incite said that for at least five years Australian Library and Information Association (ALIA) has been warning the sector of a looming age-related workforce crisis (Teece 2004). The 1998 profile of Australian library workers revealed that they are considerably older than both the public sector and total labour force averages. Seventy two percent of library workers were over forty according to this study, compared to forty percent of all Australian workers. Thus, while the whole of the Australian workforce will face a "Baby Boomer" crisis. It is much worse in libraries.

The figures from the Queensland Department of Education and Catholic Education in April 2004 corroborate the ALIA figures. 71% of senior teacher librarians in Queensland are over the age of 40. About 50% of them are between 45 and 55.

Various forecasts by economists and labor market researchers warn that Australia is heading for a major labour supply crisis, meaning strong demand for staff. Australia's Treasurer, Peter Costello has been encouraging Australians to have more children. What it all means for librarians is that we need to do a lot more workforce planning and succession planning than we have done in the past and we must increase our efforts to attract and retain younger people to the profession.

There are of course differing perspectives about this age related labour crisis within the profession:

For example:

One of the respondents to the OCLC Environmental Scan makes the observation that: "*A lot of staff will retire soon but the upside to this is being able to hire staff more comfortable with e-material and virtual services*" and "*We are well aware of trends and issues but many staff are not truly willing to change the ways they do things*" (OCLC 2003).

These claims immediately raise two questions: will there be sufficient numbers of trained young librarians in the labour market and secondly, how is the profession addressing the change management issue?

A third question to consider relates to managing and valuing corporate knowledge. For example, how are libraries managing knowledge sharing? What kind of strategies do they have in place in managing recruitment and promotion of internal applicants with corporate knowledge balanced against the need to recruit outside applicants who bring new ideas and experiences?

A recent report titled “*Preparing for demographic change*” on workforce and succession planning in the Libraries of the Australian Technology Network corroborate other warning signals permeating the profession for the last 5-10 years (Whitmell Associates 2004).

The report emphasises the importance of library staff being “**strategic thinkers**” in other words being able to see and understand the ‘big picture’ and the environment within which libraries operate. Other attributes considered essential for the library workforce include:

- Multi-skilled
- Diverse backgrounds
- Good interpersonal skills
- Committed to lifelong learning

Just as we have a very diverse population of customers in our universities and communities, we need to have an increasingly diverse workforce, if we do not have it already. This means diversity in terms of age, gender, ethnicity and cultural background in order to reflect the customer population and to bring diversity in terms of ideas and perspectives to continually enhance our services in today’s highly competitive and global environment.

The obstacles ATN report found to creating a vision for the human resource needs of libraries are:

- Poor reward system
- A focus on skills rather than on attributes
- The hiring process
- Bureaucracy and burdened processes
- Reactivity rather than proactivity
- Lack of opportunities for change
- Lack of resources and time
- Too few adequate training and development opportunities

These obstacles are found to be at both library and university levels. One of the challenges facing libraries and their parent organisations is creation of strategies to reduce these obstacles in order to increase the level of strategic readiness of their human resource capital.

The continuum - from formal training to the learning organisation

The nature of work has changed considerably and will change even more rapidly for two reasons:

1. The shelf-life of equipment and software systems and consequently skills needed to operate them becomes obsolete at an ever increasing rate;
2. The structures of organisations have become fluid and will be even more fluid, giving more flexibility both vertically and horizontally, eliminating the tight demarcation around job boundaries.

It is not all that long ago that only qualified librarians were expected to staff the so called reference desks. We now have combined desks in many libraries staffed not only by support staff, but also by staff working in other service areas, e.g. IT, student services and so on.

Some of the other issues/challenges confronting libraries in this context are:

Do we hire for today's needs or tomorrow's? How can we hire for the future needs of the library? How do we go about providing human resource development for the needs of the organisation as a whole, not just for the specific jobs people perform? These issues are not confined to libraries. Many other organisations are also trying to deal with these challenges.

Until recently, the focus when hiring has been more on skills, for reference, cataloguing, IT and so on, rather than on attributes like strategic thinking, flexibility, adaptability and commitment to lifelong learning. There is a growing trend now to "hire for attributes and then train for the skills" (Whitmell Associates 2004). The need to hire staff with abilities such as flexibility, adaptability, leadership potential and learning agility is increasingly recognised by library managers. The ATN report also recommends that libraries should hire more for the future needs. This may present its own challenges, as the readiness of a library's existing staff to work with new staff from non-traditional backgrounds and lacking the traditional librarianship skills may pose create difficulties.

One of the predictions regarding the future of the workforce by Rita Johnston is that: "Workers will move from one task or project to another rather than being committed to one job for many years." (Johnston 1999). Rita Johnson goes on stating that "Positive attitudes towards change, creativity and enterprise will no longer be the exclusive province of the manager but will be essential requirements of the average worker". Individual workers will be expected to become lifelong learners and take more responsibility for their own development.

Alvin Toffler pointed out in his well-known work **Future Shock**, "the illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn and relearn." (Toffler 1971)

This shifting of responsibility for learning, from the organisation to the individual impacts on the role of managers and staff development officers who are increasingly expected to take on the role of mentor, resource provider and facilitator rather than that of direct trainers. If we look at the changes in teaching and learning at our universities, particularly the changing role of academics from being the sage to that of guide, mentor, coach or facilitator, there are many parallels to be drawn between university teaching and workplace learning.

The process of bringing in such changes to our workplaces is not straightforward as it affects the hiring process as well as staff development and training activities. To keep alive the principles of training and development, all related initiatives need to be integrated. Hiring, orientation, communication, performance reviews, and rewards and recognition are interrelated and therefore should be linked to each other and to the training and development programs.

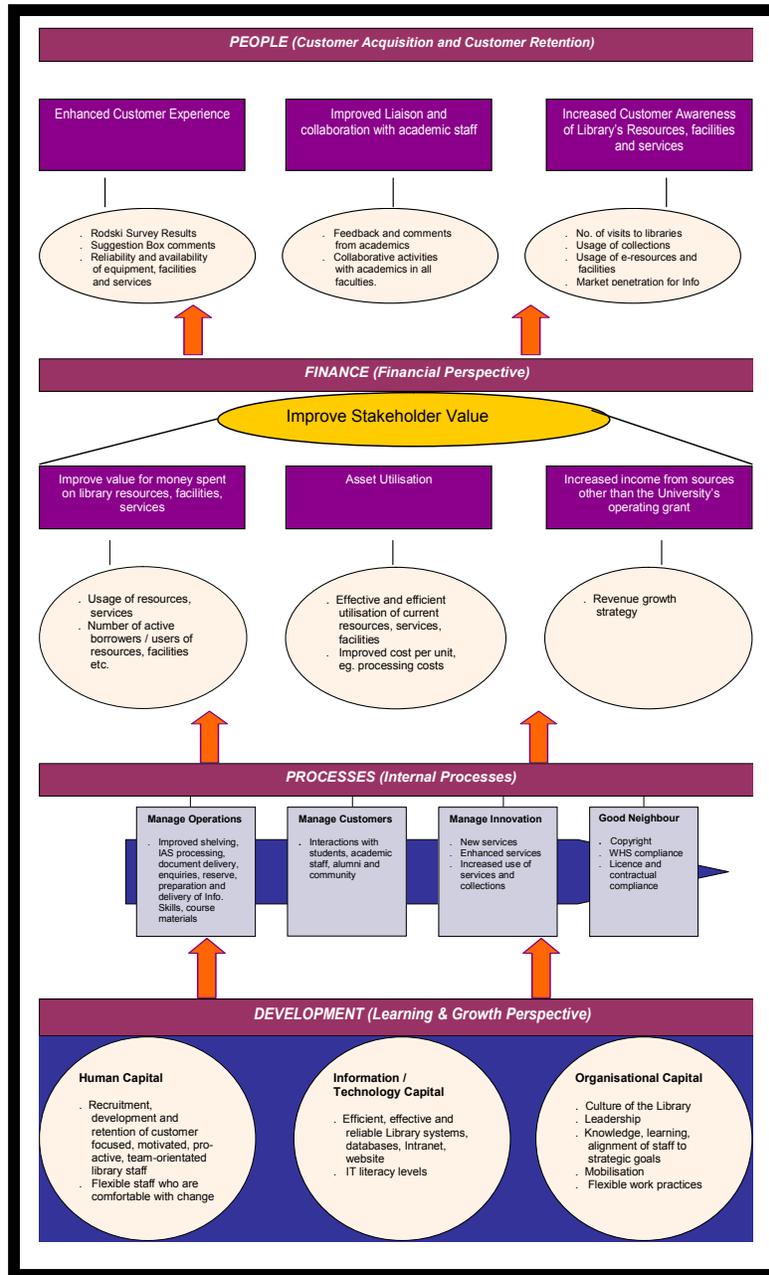
Recruitment of staff who are flexible, strategic thinkers, multi-skilled, open to change and responsive is not a simple, straightforward process as identification of individuals with these skills is not as easy as identification of those with cataloguing, reference or IT skills. Retaining these skilled people and ensuring that once hired, they are motivated and continue to enhance the skills and attributes they had when they joined the organisation may present challenges for library managers. It requires creation of an environment within the organisation to ensure these happen, in other words a “knowledge-based organisation” equipped to deal with the constantly changing environment.

Some of our staff belong to the NetGen or Millennium generation which media reports and various researchers often refer to as those born after 1982. We will be recruiting more of these people as the baby boomers move on. The recruitment, retention and growth of the ‘Millennials’ bring with it some changes we all have to make in order to create the new workforce for our organisations and to prepare succession planning.

Bond Human Resource Development – from training to development

Bond University is Australia’s first private university established in 1989. It is private, but not-for-profit and independent. Bond is a member of the AVCC (Australian Vice-Chancellor’s Committee) and the Library is part of various national and regional networks of libraries, such as CAUL (Council of Australian University Librarians), QULOC (Queensland University Librarians Office of Cooperation) and Libraries Australia.

Bond University uses the BSC as a strategic planning and measurement tool. The Library's BSC is one of the many sub-scorecards making up the University's scorecard. The following is a pictorial representation of the Library's BSC:



The Library's scorecard was developed three years ago with the participation of all staff. There are regular reviewing, reporting and monitoring mechanisms in place involving all sections of the Library.

The Learning and Growth perspective of Bond University Library's BSC has the following objectives and measures:

| | |
|--|---|
| <p>Highest quality* library staff (*recruitment, development and retention of, customer focused, motivated, pro-active, team orientated, displays initiative, flexible, multi-skilled)</p> | <ul style="list-style-type: none"> ○ Percentage of library budget spent on staff development ○ Staff development needs met as demonstrated by feedback provided by staff ○ Staff satisfaction index in staff perception survey –every two years ○ Multi-skilled staff ○ Effective performance management ○ Library staff publications and presentations |
| <p>Culture of innovation and creativity</p> | <ul style="list-style-type: none"> ○ Number of innovative projects ○ Number of staff publications and presentations ○ Effective strategies to support innovation ○ Corporate culture which supports creativity ○ New products and services ○ Number and range of presentations to staff from individuals both within and outside the University and attendance by library staff |

The Library has been going through a number of change processes in the last 2-3 years both in its organisational structure and it's restructuring of various positions. The aim is to align the positions with the higher level objectives and goals of the organisation in order to increase its responsiveness to the external environment. The change process has not been one-off nor has it been revolutionary. The underlying focus has always been that change is an essential ingredient of the regular activities and operations of the Library. The areas we have been focusing on to embed the change processes included:

- Identification of critical activities of strategic importance to the Library and the University
- Identification of positions to match the activities
- Creation of new descriptions for strategic positions including identification of critical skills for these positions
- Creation of generic position descriptions as much as possible
- Implementation of flexibility in the deployment of staff across functions and locations
- Recruitment, induction and training of appropriate staff
- Introduction of a new university-wide Professional Development Review system
- Library-specific training in using the Professional Development Review system for all staff as well as a separate one for supervisors
- Planning and implementation of a staff development and training program for all staff. The program covers a broad range of activities,

such as public speaking, writing, project management skills as well as regular presentations by academics about their research and teaching activities.

- Creation of library-wide policies in consultation with both staff and customer groups
- Use of a university-wide “Organisational Change” process with a standard change management template
- Regular round table meetings with student groups to elicit feedback about our services and to allow all library staff to interact with them in an informal setting. These meetings have created opportunities for staff to see students’ perspectives on a variety of issues.
- Workshop on change management “Growing with Change” for all library staff
- Annual Planning Day where all staff participated. This was a follow-up to the Change workshop

The processes and activities listed above were linked to the implementation of a number of key projects. The projects included selection and implementation of a new library management system, a new copying and printing system, a major de-selection program, a digital copyright repository coupled with an e-reserve system, refurbishment of the Law Library, reorganisation of space for facilities, services and staff offices in the Main Library and introduction of Medicine at the University. The new library system was used as a catalyst to review all processing activities and to increase the level of multi-skilling amongst staff, especially those working in the Information Access Services. Staff undertook a program of re-training to perform duties which had traditionally been person specific. Others who previously had not worked at the front service desks were trained to perform lending or information desk duties.

The physical relocation of staff to share open space office areas with others is another strategy we have used to create synergies amongst various functional areas. Co-location with those who perform duties in different but complimentary areas is helpful both for multi-skilling and for providing seamless service to the customers.

Introduction of a project management approach to most of our activities has created an understanding of achieving set objectives, timelines and naturally the outcomes as well as significance of reporting, measuring and reviewing. Project management training has been incorporated into the regular staff development programs.

The staff perception survey conducted every two years helps library management understand the cultural readiness of the staff. The issues raised in the surveys coupled with those coming out of the annual planning day assist library management with improved understanding of the gaps in the culture. They also feed into the overall human resource planning as part of the learning and growth perspective. The outcomes of both the survey and the annual planning day have been used to assess developmental needs of staff and effectiveness of existing communication strategies. We have been working with the information gathered to align and realign human resources with the existing strategy with the realisation that a certain amount of cultural variation is necessary in different units due to the nature of work undertaken.

Conclusion

Development of human resources lies at the core of the knowledge-productive organisations, like libraries and universities. The process will inevitably involve participation of all employees in developing the knowledge of the organisation.

The survival and success of organisations will increasingly depend on their ability to ensure that they are “smart” at all levels rather than only at the top. The challenge of creating and sustaining ‘smart’ organisations with ‘smart’ people at all levels is probably greater now than it has ever been. Libraries in particular are facing tough challenges as creation and communication of the value they create for their stakeholders in today’s highly competitive information market requires quite different set of attributes and skills than the current workforce and their organisational culture may possess.

Peter Drucker talks about the “**means of production**” being owned by the workers themselves now. Because these means are in their heads or their fingertips. What Marx dreamt of over a century ago has become a reality, in a way no Marxist ever imagined.

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