

Simply the best: Workplaces in Australia

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Near enough is no longer good enough. If your organisation is to succeed within Australia and the global economy, it needs to aim for excellence. How? Read on...



WHAT DEFINES AN EXCELLENT WORKPLACE?

HOW CAN AUSTRALIAN enterprises grasp and create new opportunities emerging from globalisation, technological change and the knowledge economy? How can we create leading, high performance workplaces that are characterised by their creativity, innovation, flexibility and competitiveness?

- Business Council of Australia¹

Through the auspices of the Business Council of Australia, we undertook to identify a number of excellent workplaces in Australia during 2000 and 2001; to visit those workplaces, to analyse the basis for their outstanding performance, and then to draw some general conclusions concerning the nature of excellence at work across Australia. We therefore visited some 16 nominated excellent workplaces across the nation, in metropolitan and country areas, in different industries, and in both the public and private sectors.

When we use the term 'workplace' we mean the physical place of work, not the whole organisation. This definition may cover a few people in an isolated team, a branch office, a whole site or a section of a larger group. The intention was to study the performance of people at work in clearly defined places and spaces. This allowed us to concentrate on the factors that influenced the workplace directly, rather than the wider context of the whole organisation.

We took the general set of criteria developed by the Business Council of Australia in their research work, *Leading Workplaces*², and we asked each of the selected companies to nominate two workplaces against these general criteria: one good workplace and one excellent workplace.

The general criteria for excellence and their meanings are:

world class – a workplace that could be seen to be at the top of its class in terms of like workplaces around the world

high performance – outstanding business performance in terms of business outputs and business outcomes as defined by the company

competitive – cost and other measures of competition as described by the company

innovative – the extent to which the workplace used new ideas and processes to achieve business outputs

and business outcomes

flexible/adaptable – able to easily change work organisation, people and technology to meet changing business needs

fair – the extent to which the workplace was seen to be based on equitable and open behaviours by managers and staff

personal achievement – the extent to which the workplace supported personal development and personal ambitions within the business

ethical – the extent to which behaviour in the workplace was seen to be in accord with community standards and wider moral imperatives

knowledge-based – the extent to which the workplaces relied on the explicit and

implicit experiences of the members of the workplace and was able to create a sense of corporate memory about systems and processes

individual, team and organisational learning – the extent to which the workplace supported and created learning at every level

Our research located 15 significant factors that differentiated excellent workplaces from other workplaces around the country. After assessing the results of our field research and interviews we concluded that quality working relationships represent the pivot on which excellent workplaces turn (see figure 1).

The 15 key drivers for excellence are:

the quality of working relationships – people relating to each other as friends, colleagues, and co-workers; supporting each other, and helping to get the job done

workplace

leadership – how the immediate supervisor, team leader, manager or coordinator presented himself or herself

having a say – participating in decisions that affect the day-to-day business of the workplace

clear values – the extent to which people could see and understand the overall purpose and individual behaviours expected in the place of work

being safe – high levels of personal safety, both physical and psychological

the built environment – a high standard of accommodation and fit out, with regard to the particular industry type

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recruitment – getting the right people to work in the location is important, namely, people who share the same values and approach to work as the rest of the group

pay and conditions – a place in which the level of income and the basic physical working conditions (hours, access, travel and the like) are met to a reasonable standard

getting feedback – always knowing what people think of each other, their contribution to the success of the place, and their individual performance over time

autonomy and uniqueness – the capacity of the organisation to tolerate and encourage the sense of difference that excellent workplaces develop; their sense of being the best at what they do

a sense of ownership and identity – being seen to be different and special through pride in the place of work, knowing the business and controlling the technology

learning – being able to learn on the job, acquire skills and knowledge from everywhere, and develop a greater understanding of the whole workplace

passion – the energy and commitment to the workplace, high levels of volunteering, excitement and a sense of well-being

having fun – a psychologically secure workplace in which people can relax with each other and enjoy social interaction

community connections – being part of the local community, feeling as though the workplace is a valuable element of local affairs



Figure 1

The pivotal role of good working relationships in workplace excellence



THINGS THAT DID NOT MATTER IN EXCELLENT WORKPLACES

Some of the excellent workplaces were strongly unionised...some were non-union.

Our research indicated that the following three main issues were not critical in excellent workplaces:

excellence was achieved with these things both present and absent.

1. Working arrangements and representation

Some of the excellent workplaces were strongly unionised, with a history of industrial conflict. Some were non-union and with no history of industrial relations at all. There were other points of indifference in this category.

Contracts of employment in the workplaces had a variety of arrangements, both collective and individual. **Both union and non-union** workplaces were excellent and there were wide variations in the level of external union involvement.

The hours of work arrangements varied widely, from casual to 12-hour rotating shifts.

2. Characteristics of the business

What became evident from the research was that this issue did not tip the scales one way or the other in terms of being excellent or not.

The technology varied significantly in complexity and sophistication, and work roles therefore demanded varying levels of skill and capability to deliver quality products and services.

A particular geography or location did not play a role in determining excellence.

Size of the workplace, size of the parent company, country of origin of the parent organisation, and operation of the workplace within a public or private sector

environment were also not fundamental to excellence, although they played a role in strategy.

The composition of the workforce, in terms of age, ethnicity or gender, had no direct bearing on the level of excellence.

3. The composition of the workforce

The final group of points of non-differentiation relate to the composition of the workforce, in terms of age, ethnicity or gender. Whilst some employers may have some human resources preferences that relate to concepts of equity or the satisfaction of statutory requirements, these factors apparently had no direct bearing on the level of excellence.

QUALITY WORKING RELATIONSHIPS ARE THE KEY

In all our excellent workplaces, the atmosphere of mutual trust and respect was overwhelming. We became convinced that central to every excellent workplace is an understanding that to produce quality work in Australia, one must have quality working relationships. This applies particularly to workplaces with high levels of uncertainty, demanding skills requirements and turbulent markets.

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So, what does constitute a good working relationship? The Australian Quality Council observed that:

Good Quality for Australians is a relationship in which a person has a sense of secure identity and self-worth. Without appropriate recognition and identity the situation is not good Quality. A good Quality relationship helps to establish or sustain

a secure identity – an important element in a person’s development. Your identity, as perceived by yourself and by others, establishes you as an individual and helps to maintain or enhance your self-esteem.³

Early last decade, the Australian Quality Council, Cultural Imprints and the then Telecom Australia commissioned research on Australian leadership styles. The researchers concluded that the Australian workplace culture was unique; it differed from its counterparts in North America, Asia and Europe. They were studying the notion of ‘quality’ and they determined that:

One of the key observations from the Telecom material was that Quality is perceived by Australians primarily in terms of the relationships they have with those around them and the organisation with

which they are involved. This is a very different perception to that observed in studies of the US, Japanese and other cultures.⁴



For example, they found that certain concepts have a totally different meaning to Australians:

In Germany, the dominant element of Quality is an obsession with Standards;

In Japan, Quality is the pursuit of Perfection

In France, Quality is viewed as Luxury

In the United

States, Quality means 'It Works'

While in Australia, Quality implies - Quality of Relationship - First.⁵

It is this special Australian perspective that struck us most forcefully in our visits to excellent workplaces.

ALL THE DRIVERS MUST BE PRESENT

Our study located 15 drivers that come together to identify the excellent workplace. These drivers clearly distinguish the excellent from the merely good, because they are not all present in the second-best workplaces - in some workplaces they are hardly present at all.

Yet, exactly how these 15 drivers combine in each workplace remains part of the uniqueness of each excellent workplace: this is the mystery of excellence, not the identity of the drivers themselves. What our study has revealed is that all the factors are important. We need to understand though, that there are levels of influence whereby some drivers take the front seat whereas others underpin or assist.

UNDERPINNING QUALITY WORK RELATIONSHIPS

1. Pay and conditions - taken as read

In the excellent workplace, money and conditions are seldom mentioned, principally because such matters are already resolved. In all our workplaces there was a general sense that a good employer and an excellent workplace imply that wages and salaries are at least at industry standard. And they were.

2. Customising the built environment

It is interesting to observe that in our excellent workplaces, the accommodation layout, furniture and fittings tend to reflect the way people go about their work. In the merely good workplaces, people tend to make do with what they have around them. In excellent workplaces, the spaces are redesigned around the people and their work, and reflect their workplace aspirations.

In excellent workplaces, the built environment has been carefully structured to support the business

processes. Computers are common and current management information is accessible - something that interlinks directly with other key drivers, such as learning and having a say. Yet people can reshape and customise their workstation and immediate environment.

In the excellent workplace, money and conditions are seldom mentioned, principally because they are taken as read.

3. Employing for passion

The right to hire and fire has traditionally been a core element of managerial prerogative - but not

necessarily in the excellent workplace. While it seems a soft dimension to employment, employing people who have a passion for the job is becoming a more



important criterion in Australia. Our research team discovered that even in workplaces where the term was not articulated loudly, it was implicit in the recruitment process.

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4. Learning, learning, learning

Passion is a necessity in knowledge-based workplaces, where sharing learning and knowledge is fundamental to long-term success.

WHAT KIND OF PEOPLE DO YOU WANT?

In all of our best workplaces, staff had ready access to up-to-date information on their own progress, as well as the performance of their work unit and the

workplace. Excellent workplaces make sure every individual receives continuous feedback on their performance and areas for improvement, both positive and negative. They, in turn, must be able to send their feedback to supervisors and management

In the best workplaces, every employee was seen to have something to contribute. There was no distinction between managers or specialists as 'gatekeepers' of information. Everyone was keen to understand the details of the work processes that impacted on their life. We discovered that the managers valued the knowledge held by employees in excellent workplaces, and that this knowledge formed part of the working capital of the business.

The bulk of learning took place on the job - it was startling to see the level of ad hoc and detailed learning that occurred at every site. The best sites were engaged in formal action-learning programs, whilst every site seemed to have informal groups talking and working together. There was no sense of a demarcation between learning and doing.

WORKPLACE LEADERSHIP: A KEY DRIVER

Workplace leadership is a key factor in the underpinning of quality workplace relationships (see figure 2). In the excellent workplaces we visited, leaders of all kinds were aware of the impact that their behaviour had on the way people felt about the workplace and their job. In our workplaces, the staff valued highly those leaders who behaved as a captain/coach, which meant being available and providing support when needed, but 'not getting in the way' when they were not.

Managers valued the knowledge held by employees in excellent workplaces - it formed part of the working capital of the business.

Perhaps the most significant observation from the study is that leaders care for their followers, a good leader being "someone who is followed without coercion, and without favours being offered". The other characteristics of being a good leader in Australia that were identified also related to our

concerns for quality working relationships.

Good leaders:

- **support their followers**
- **are consistent and stick to principles**
- **think of others** ☞

Figure 2

How leadership supports quality relationships in the workplace



A good leader is someone who is followed without coercion, and without favours being offered.

ENDNOTES

1. Business Council of Australia, 1999, *Managerial leadership in the workplace.*

2. Business Council of Australia, 1999, *Leading Workplaces.*