# Redesigning Organisations For The Cyber Physical Age – Webinar 1

Presented by Mark Priede

Principal Consultant, Bendelta

# Slide 1:

## Redesigning Organisations for the Cyber Physical Age

### Elise:

Hi, I’m Elise from National Disability Services. I’d like to introduce Mark Priede from Bendelta, who is here to present the first webinar in a series of three on redesigning organisations and leaders for the cyber-physical age.

# Slide 2:

## The Science and Art of Realising Human Potential

### Mark:

Great, thanks Elise, and welcome to everyone to the first webinar in the series. So today’s webinar is part of a series of the science and art of realising human potential.

# Slide 3:

## Your Host

Before I start I’ll introduce myself, give you a little bit of information about me. So my background, I’m a principal consultant with Bendelta. I’ve spent the last 20 years focussing on helping individuals, teams and organisations to realise more of their potential and perform at their best. I’ve been working with the disability sector extensively since 2016, and a major part of that work has been the Leading for NDIS Transformation program, which is designed to assist CEOs and senior leaders preparing for and transitioning to NDIS. I’m pleased to say this program is continuing in 2019, and it focusses on building a number of the capabilities that we’ll be touching on in this webinar series. Apart from that program I’ve helped a variety of other organisations with strategic planning, change management and capability development at multiple levels.

Just a little bit about Bendelta. We are a strategic leadership advisory firm based in Sydney. We’ve been operating for around 14 years, and we work across the private, public and not-for-profit sectors. We have our purpose as an organisation is one Million, one Billion, which we believe that by directly helping one million people realise more of their potential, we believe the ripple effect from that can have a positive impact on a further one billion, and that’s something that we track as an organisation.

# Slide 4:

## Outcomes for today

So let’s talk a little bit about the outcomes for today’s webinar.

Firstly we’ll be discussing what are the implications of the cyberphysical age. We’ll be identifying what are the human capabilities we believe will be most important for the future. And what are some of the things organisations will need to do to enable human potential to flourish.

# Slide 5

So in order to understand what businesses will need in the future we’re going to go back in time, and go back several hundred years in fact. The cyber-physical age isn’t something that’s completely new. In fact, in its crudest form it’s been in existence since the 18th century. For at least the last 230 years we have in fact been in a cyber-physical revolution.

So the picture you’ll see up there is of the power loom invented by Edmund Cartwright in 1784, and that’s where we saw steam power replacing human muscles, which made weaving faster and more efficient. This particular innovation, if you like, had a particular impact on leading to increased female participation in the workforce.

# Slide 6

Let’s fast forward to early 1900s and we had the assembly line developed by Henry Ford for the mass production of cars. This had a significant impact in manufacturing. We started to see vehicles being built in two-and-a-half hours which had formerly taken over 12 hours.

# Slide 7

Moving to the 1940s and we saw the advent of the first computers, or programmable logic controls, and this started to – we started to see the automation of innumerable manufacturing processes with the first computers.

# Slide 8

Interestingly I noticed some of you may have had the opportunity to see the film a couple of years ago on *Hidden Figures* which told the story of the impact that several African-American women had on NASA’s space program. And in that program there are a number of scenes there where these women are involved in doing some of the very complex maths that was required to launch man into space. Now, interestingly, this work was actually predominantly undertaken by humans, and the role of the people in this organisation was – they were actually called computers. So there’s been significant – some of the significant changes that have occurred over the last decades.

## Elise:

Mark, you mentioned that you started your career in IT. You must have seen some changes?

## Mark:

Look, it’s been dramatic. I actually started my career in a very different field, so I worked as a computer programmer after leaving university, and we’re actually talking about the days when I had to program using punch cards and a HB pencil. And in fact, at the time when the first organisations I worked in, the computer rooms, and some of that you see in the movies those rooms that are long banks of computers filling an entire room, today what filled an entire room then is pretty much the same processing power as I’ve got on my smartphone here today, so it’s been a dramatic shift in the 30 years of my working career.

So again, given as I said, we’ve been through – the cyber-physical revolution has been going on for quite some time, I guess the constant has been the replacement of the low-value human work with some form of technology, so whether that’s been the power loom or IBM’s Watson, it’s increasingly enabled humans to do more valuable work based more on what it means to be human. But there has been a change along the way. In the first phases we liberated humans from adding value through being pretty much poor imitations of oxen, pulley and levers, and this meant that we could focus more on our brains. But the more recent phase is of freeing up our mental capacity further, liberating humans from being poor-quality calculators. So no matter how hard we try, we just can’t create and compute complex algorithms at the same speed and accuracy of computers. The women at NASA could never realise an exponential increase in their computing power.

# Slide 9

So many of you would be aware of or considering some of the technology advances that are having an impact on the disability sector and are transforming the quality of life experience for your clients and helping you to do things more efficiently and effectively. Just a few of these that organisations have spoken to me about include the potential of driverless cars to enhance people with disabilities’ access to a much wider range of experiences, virtual reality for training staff to deal with complex client needs, apps that help people with speech disabilities communicating with their own voice, and many more. And Elise, you’ may be now familiar with a few through your work as well.

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## Question

### Elise:

Yeah, we’ve noticed apps being used for recruiting of staff and managing staff, as well as apps to track transport – participant transport for kilometres and whatnot. But yeah, there’s a lot of examples out there of the use of technology.

# Slide 11

## Mark:

Yeah, so clearly – so technology is one way that we’ll see the sector being transformed.

# Slide 12

But what we’re going to talk about and where we’re going to spend the time is particularly the human aspect.

So we believe that while being a successful organisation today is really going to come down to two factors. One will be leveraging these exponential technologies that are underpinning the next productivity breakthroughs. The second factor, and where we’ll be focussing on the webinars from now, is in realising the full potential of an organisation’s people in terms of their most quintessentially human capabilities. As a role of people in procedural work is shrinking rapidly, and will approach zero within the next decade at least in the developed world, there is no value in people contributing through rote tasks or simply acting as factors of production. Their contribution will necessarily need to be of a higher order. And this is precisely what’s been happening for the last 230-odd years, it’s simply now happening a lot faster.

Now, though few people have recognised it, succeeding with the second factor is actually more powerful than the first, because it enables the first to be fully taken advantage of, and for most organisations, and I assume many of you on this webinar can relate to this, this represents an enormous challenge. Many organisations are plagued by work place issues around morale, productivity, absenteeism and low engagement. So if they’re to meet ever more challenging goals to remain relevant – and navigating your organisations through NDIS is presenting enormous challenges for many – significant progress must be made around fostering those drivers, such as motivation, engagement and widespread collaboration.

There’s no doubt that one of the biggest issues disability organisations are grappling with is the ability to attract and retain good staff and have them operate at their fullest potential. This means closing a huge chasm between many current cultures and industrial-age ways of working, and doing so in a context where existing architectures powerfully reinforce the status quo.

# Slide 13

## Elise:

Mark, so tell me about the work Bendelta is doing in this space to help organisations make the necessary shifts.

## Mark:

Well, Bendelta’s – our interest in human potential started with our founders, and probably in the last five years this accelerated with a research project that we undertook using a multidimensional methodology.

So we went about reviewing more than 1,000 academic journal articles addressing shifts in employment and skills across industries and geographies over the next decade. We studied those companies that disrupted their ecosystems and started to move away from industrial-age models. We gathered the views of expert organisational theorists from around the world and tested these findings with Australian senior leaders from a cross-section of industries.

# Slide 14:

## Potentiology

We then took that work and we’ve codified it into what we’re calling “potentiology,” the science and art of realising human potential, and within that there are two particular areas of focus.

**Slide 15**

The first is organisational architecture, which is ensuring your organisation is aligned for potentiation. Do you in effect have a fertile soil that will allow your people to grow and flourish? To what extent is your strategy, your culture, structure and systems actually optimise the chances of your people realising their full potential? And again, I’m sure many of you listening to this can relate to working in organisations where one or more of these things actually got in the way of you and your people performing at their best.

The second aspect is developing those capabilities that you’ve decided are critical to your organisation’s success, and that’s what we’re going to cover off in some more detail.

# Slide 16:

## Question

So one of the questions I often ask organisations is what do you consider to be the most critical human capabilities required for organisations to be successful over the next decade? And in our research we’ve found that fewer than 30 percent of organisations have a clear idea of what these are, and in fact fewer than 10 percent actually have any evidence to back up those beliefs.

Too often we see organisations investing in over-complicated capability frameworks, multiple levels of capabilities, sub-capabilities and behaviours, and many of them which have little correlation to successful individual, team or organisational performance. So some of the questions we put to senior leaders are: Do you understand exactly what underpins your organisation’s ongoing success in terms of human capabilities, and then are you able to translate those into the relevant behaviours that have the greatest correlation to success?

Now, there’s no limit to which capabilities might be most critical for a given organisation. However, what is important is selecting a small number that will make the biggest impact and that you can focus on these in a laser-like fashion.

# Slide 17

The answer to which ones you choose, of course will depend on the industry you’re in and the basis for your competitive advantage. However, there are some capabilities we believe are universally relevant to organisations in any sector or industry, and we came up, conveniently, with what we call the six Cs, the six capabilities we believe people in your organisation are most likely to need to demonstrate at a world-class level for your organisation to succeed.

One of the most startling things about this list is that these capabilities are not only weak in many organisations and receiving too little attention, but that the industrial-age model itself is discouraging leaders from valuing, developing or propagating these capabilities. By contrast, the companies that have been out-performing in the last five years are much stronger in at least some of these capabilities. So whether this was by design or perhaps a by-product of other choices they made, these capabilities have clearly played a pronounced role in their surprising and dramatic success.

# Slide 18

## Elise:

So what are the six capabilities, and could you expand on what these look like?

## Mark:

So the six – again as I said, they’re conveniently the six Cs – we start off with capacity. Now, capacity, it’s about resilience, but it’s also about more than resilience. So resilience enables people to bounce back from adversity and be better able to deal with adversity in the future, and this is unquestionably critical in our turbulent and busy times. But capacity is also about qualities and practices that mean adversities don’t feel so adverse. So by nurturing dimensions such as engagement, purpose, positivity, relationships, and the pursuit of meaningful goals, leaders can give themselves much more capacity, and help their people to do the same. Having a reservoir of capacity is the most valuable starting point for all the challenges that leaders must face if they are to help their organisations succeed.

# Slide 19

The second C is connectedness. This is all about empathy and compassion, the ability to establish meaningful connections with others.

How important is this? Well, a recent study by Christina Boedker at University of New South Wales is illuminating. It looked at nearly 6,000 people across 77 organisations and found out that out of all the various elements in the business, the ability of a leader to be compassionate had the greatest correlation with profitability and productivity.

Why does this matter so much? Well, our ability to see things from the perspective of others is critical to customer experience, employee experience and stakeholder engagement. And again I know many of you in your organisations are spending significant amounts of time in evaluating and understanding your customer and employee experiences. All three of these domains are of paramount importance to business performance. They result in better products and services, better customer service, higher staff retention and morale, higher staff commitment and loyalty, and faster and more effective transformation and change.

However, again we find this is another capability which is patchy in many of today’s leaders, and once again the old industrial-age model is to blame, which encouraged leaders to devalue qualities such as compassion, humility and vulnerability, often once called the nice-to-have or soft skills.

# Slide 20

The third C is creativity. As all procedural work, and even intellectual procedural work moves to computers, what value does human cognition add? Well, it’s certainly not our ability to perform calculations.

It is our ability to think nonlinearly, out of the box, and to innovate. Humans have a great capacity for being able to put together, take some existing ideas to create new, additional ideas from those. We’ve got an immense natural capacity for creativity.

Again, unfortunately, the industrial age has focussed on suppressing and devaluing such thinking, asking us instead to follow rules to perform unthinking, rote tasks. But you look at what the breakthrough companies are doing, and what do you see? Imagination. Boldness. Lateral thinking. So you can see things like the popularity of design thinking for enhancing client and employees’ experience, which relies on creating a space for creativity to flourish.

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Collaboration, the fourth C. The single greatest factor in civilisation’s rise from the hunter-gatherer existence of the Neolithic age to today has been collaboration. Despite our penchant for competition, humans have a drive for collaboration. We have shared ideas with others, sometimes even our enemies, and we’ve passed these ideas on to the next generation so that they may, as Isaac newton put it, “stand on the shoulder of giants.”

Again, the industrial-age model has been guilty of suppressing collaboration by providing divisions, silos, hierarchies and internal competition, rather than fostering outcomes that are greater than the sum of individuals.

# Slide 22

The fifth element is choice. So in many fields, including those requiring deep expertise such as medicine and surgery, computers are already outperforming humans, with decades of expertise when making decisions, and doing this in a fraction of the time. We know from the last decade’s research in fields such as behavioural economics that cognitive biases often drive us to make poor-quality decisions, while insidiously other biases reassure us that they’re actually good decisions. These decisions only get worse when we’re hungry, tired or stressed. The deluge of information we receive makes it difficult to avoid taking mental shortcuts which may lead to adverse consequences for ourselves and our organisations.

Organisations will value, then, those people with the ability to understand their biases, use evidence-based approaches, filter out unimportant or irrelevant information, and make smarter, high-quality decisions.

# Slide 23

And change agility: Well, the inclusion of this capability needs no justification. I remember even early in my career, several decades ago, a senior leader stating that “We are now living in a time of permanent white water,” and making the point that change is a constant element of organisational life. And we know that that, I’m sure from many of our experiences, that continues to be the case, and the pace of change if anything is likely to increase, that meaning organisations will need people who are able to embrace agility and help others to do so. This requires a shift in mindset from viewing change as a difficulty or a source of resistance to a creative experience, a quest to design a future we truly care about. So the ability to understand the nature of change and adapt appropriate strategies has never been more important for leaders.

## Elise:

Thanks, Mark. What would you like to leave participants with today?

# Slide 24

## What Now?

### Mark:

So what I’d like to leave you with at this, our first webinar, is the following question: What do you consider to be the most critical human capabilities required for your organisation to focus on right now?

Arguably many of you may consider connection as one that is inherently strong, given the work your organisations do. I would just ask you to set aside any assumptions and test the evidence behind these before you select the ones to focus on, and it really starts with a conversation of going back to what is your purpose? What is your mission, your value proposition, and your strategy, and then having a conversation on what will be the capabilities required to be able to successfully deliver on your purpose and execute on your strategy.

What we’ll do in the next webinar, we will look at the organisational architecture, and how do you actually create that fertile landscape for human potential to grow.

Thank you.

### Elise:

Thank you, Mark.

# Slide 25

## National Disability Services

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