

# HRD for the Global

**Age** Award-winning HRD practitioner Patricia McLagan discusses strategies for gaining the competitive edge.

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By PATRICIA L. FITZGERALD

“I approached design from the perspective of the learner rather than the teacher. I tried to help people see that we were in the information age and that there were new tools available; that the learning process needed to expand so that professionals could stay up-to-date, stay vital, and stay contributing. Back when I started in HRD these were pretty nontraditional things to do.”

In the early seventies, Patricia McLagan left her teaching job at the University of Minnesota to start her own consulting company, designed to help people develop their learning and information handling skills. At this year's ASTD national conference, she will be awarded the Gordon M. Bliss Memorial Award for her contribution to human resource development.

The highest honor an individual national member can receive from ASTD, the Bliss Award is earned by an individual who is judged excellent in the following areas: contribution to ASTD, contribution to the individual's employer or client, and contribution to the human resource development profession in the community and the nation. McLagan, a former ASTD Board of Directors member, chief executive officer of McLagan & Associates, Inc., and the author of many books and articles on HRD, has proved worthy of this honor.

## Getting started

Teaching study and writing skills to adults in a continuing education program, McLagan was exposed to businesspeople frustrated with being learners and with the learning process. This exposure served as a springboard to her involvement in HRD; she was spurred on to start her own company designing effective learning programs and assisting businesses in the Minneapolis-St. Paul area. As her view of HRD broadened, her work shifted to helping companies be more strategic about development. Her clients now include major *Fortune*-500 companies, government agencies, and organizations worldwide.

These companies and others had been faced with a growing need to manage their human resources more effectively in an increasingly global and competitive environment. Technology had made communication an instantaneous process; customers could instantly compare product and service quality, thus forcing corporations to place more emphasis on the competitive edge. New priorities were established. As McLagan explains, “Quality, productivity, and innovation became critical issues. When that happened, *people* suddenly became more important. How are you going to get quality unless people come up with better ideas and are committed to meeting the customer's needs? How are you going to get innovation without creative thinking? How are you going to improve productivity if people are not

looking for every possible opportunity they can to increase the favorable relationship between input and output? It's people that make organizations successful.”

## Draining the swamp

Companies spent the sixties and early seventies getting fat on an inflationary economy, McLagan contends. “Then the information age really hit.” Now, with the panic caused by global competition, companies trying to alter their direction are finding themselves filled with what she calls “slack”: “In the past, large organizations could change what they wanted, do what they wanted, and innovate as quickly—or as slowly—as they wanted. Now faced with the need to drain the swamp, they are finding something growing down there. Obsolete inventory, excess or unqualified staff, tremendous amounts of conflict between people, and turfism—that's what companies are uncovering now.”

According to McLagan the pressure is intense to adopt effective HRD practices. “Companies are finding it very difficult to fill key positions when they open up—a sign that our development systems need better linkage with the organization's goals and needs.” Additionally, she sees more of her clients concerned about developing people for international assignments or for work within the U.S. that requires thinking globally. “The concerns are intense because, although the needs exist today, it takes time to develop people for broad

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and highly specialized responsibility—time that many organizations feel they don't have. In the last analysis, it's extremely costly not to anticipate future skill requirements and invest time and energy in deliberately finding and developing those skills."

The change that is demanded is one of emphasis, according to McLagan. In the past many personnel and HR people were "door watchers" whose work focused on tactics, procedures, and administration. This was appropriate in yesterday's low-change environment. But today "companies that are competitive have people who think; make judgements; are committed; have vision; and do things not because they are told, because it's in their job description, or because it's the precedent or procedure, but because *that's what they see needs to be done* to make the organization work and to meet the customer's needs. In that kind of environment, HR professionals must ensure that people have the skills, perspective, and work climate for meaningful, high-value work. It's much more than a matter of control and procedures."

### **The strategic mind-set**

There are, however, a considerable number of holdouts: companies unenlightened or unwilling to alter their direction. For McLagan the key indicator of an organization's commitment is the inclusion of HRD in the organization's strategic process. "With that as an indicator, I would say that there are many organizations where HRD is not a very high priority. I think it's partly because many managers and HR professionals don't know how to make the connection between the business strategy and HR requirements. They don't know how to make training and development more than courses or activities. I think that until we get that strategic mind-set, HR is not going to have a very high priority. HRD executives and those of us on the outside who support them can't sit around and say 'Gee, ain't it awful. We've got to educate ourselves and line management to make that link between the business strategy and HR.'"

When working with a new client, the first thing McLagan and her associates look at is the business strategy. Rather than doing needs analysis, which McLagan defines as a look back at problems, she concentrates on forecasting. "Because of the accelerating pace of change and because it takes a while to implement things, we let the future deter-

mine the needs. We start by looking at the business, where it's going, and what assumptions can be made about the environment."

For McLagan, one key to getting ready for the future is to stop thinking about the organization as clearly defined boxes on an organizational chart. We must focus instead on flexibility. "When my sons ask 'What will I be when I grow up? What job will I have?' I tell them that's the wrong question. I tell them to ask, instead, 'How can I make myself versatile for the future?' My sons will benefit most from building a set of skills so they can go in a variety of directions. That's true for all of us."

The companies that are most ready to link HRD with the business strategy and who use McLagan's concepts and products to their fullest advantage are those that are undergoing change. "It's those companies that are going through decentralization, deregulation, privatization, and drastic changes in their position in the world. Our clients are downsizing, changing their structures, trying to become more strategic and competitive, bringing in new technologies. Some are attempting to shift the balance of their business from a heavy focus on basic industry to more of a mix of technical and service."

But whatever their situation, her best relationships are with organizations that have good, strong, internal staff who are prepared to participate in a collaboration or a "co-creation," as McLagan terms it. "The fact is there has to be a readiness. There have to be people inside the company who are committed to a vision of effectiveness that's going to match what we bring. If it looks as if we can't have an effect or an impact, quite frankly, we don't take the work. There has to be a collaboration and a partnership and a co-creation. A good consultant doesn't just come in and lay on a vision and say 'Look, here it is—you guys implement it.'"

### **The international commitment**

"My impression, from talking with international friends, is that HRD is stronger and more advanced in some of the European countries, but I can't speak from direct experience." Although she was uncomfortable generalizing from a European standpoint, McLagan had no such hesitation when discussing South Africa. "Of all the places I'm working, the commitment to HRD is the strongest in the two companies I'm working with there, bar none."

McLagan's South African clients include ESCOM, one of the country's largest

organizations and provider of two-thirds of southern Africa's electricity. Ronald Short, of Leadership Institute of Seattle (LIOS), is doing his own work with ESCOM and says this of the firm's reaction to McLagan's performance: "She started off in the education department. She is now working at the top level and using her highly practical management and output models. She has become very influential in providing the tools that will allow the leadership to change the shape of that organization."

McLagan's enthusiasm for this work is evident. "I am *very* committed to the cause of HRD in South Africa because I think it's going to be a fundamental pivot point for change. I think that in South Africa, where the development of people and the elimination of discriminatory practices are such high-profile issues, HRD and HR in general are very important." According to Short, McLagan's accomplishments are highly visible. "They know that they do not have the luxury of time so their commitment is intense. And in a very short period of time, relative to what we would expect, there has been a dramatic change toward equal employment. She's played a central part in that."

### **The changing nature of professional development**

McLagan's concern extends to the development of the individual as well as the development of the organization. She contends that the pressures of the information age have also been brought to bear on professional development. She says that when considering the nature of the professional "one used to think of a technically competent person. Professional development used to mean that you went to school, got your credits, and aimed for credentials: 'now I'm finished with that and can go on to something different'. Many of us view it as a process of absorbing information. Now I think we ought to look at PD as a co-creating process: the developing professional creates the field and also helps create opportunities for the organization to be more effective."

Professional development for herself, her employees, and her field is a concern that McLagan takes very seriously. She is adamant that organizations do the same. "Organizations need to approach development as a strategic and competitive advantage. They need to create a culture that focuses on continued improvement and development of capacity and capability."

In addition to an environment that will foster individual development, McLagan

believes that companies need to take responsibility for providing competency models and formal development in the form of courses and development assignments. Also organizations should ensure that managers and supervisors are equipped to provide development support. "We talk about helping others develop, but how many people really know how to do it?"

"Often managers don't know as much about specific topics as the people who work for them. Managers withdraw development support because they don't want to admit that they're 'ignorant.' But there's more to helping others learn than teaching them how to do the job. There's directing people to resources, providing feedback and encouragement, and helping people clarify their development priorities."

The ultimate responsibility and power, however, lie with the individual. McLagan cites research by Canadian Alan Tough that indicates individuals choose, plan, and implement about 70 percent of their own changes. Professional helpers, teachers, and therapists account for only about 20 percent. "So if we keep focusing on only that small percent of formal development, we're missing what's below the tip of the iceberg. We're missing the opportunity for the biggest impact. It's my belief that if you give people skills and support their commitment to self-development, then you leverage your resources better."

In the face of all this intensive development, however, McLagan notes a trend toward balancing work and other concerns. "After working and talking with recent graduates, I'm noticing a real commitment to balance. Even though these people work very hard, their concern for balance and health and time for families seems to be increasingly important."

Where does professional development time come from then?

McLagan emphasizes the value of on-the-job learning experiences. "You can look at almost anything you do in the workplace as professional development, but the important thing is to see it that way. If you have a fairly clear goal or vision of the types of capabilities you want to develop, then you're going to act on opportunities that come up on a day-to-day basis."

McLagan sees great reluctance on the part of upper-level staff to admit that they also need professional development. "It indicates a vulnerability. If top people act as if they don't need to learn, there can be a ripple effect throughout the organization

that destroys any potential for a positive professional development culture."

McLagan urges executives to personally adopt a more developmental outlook for the good of the entire organization. "Just as you have a commitment to produce a widget or a marketing plan or sell \$5 million of goods, you should also have a commitment to producing skills in yourself and in others. It's certainly in the best interest of the organization to do that."

### **Training packages at the corner store**

McLagan is confident that HRD will continue to gain momentum in the coming years. "Many organizations are going to take the people side of the business more seriously. They're going to be more strategic about it; they'll question their values and take their people's philosophies seriously." Technology will certainly continue to play a role as information handling becomes increasingly more efficient. "We're clearly going to be buying learning packages at the corner store. We're going to have access to all sorts of things through PC and disc technology."

Organizational structure will also continue to flex, says McLagan. Instead of a static organization chart where one box reports to another and on up the line, McLagan believes that most companies will "operate like a microchip, where information flows on an as-needed basis with a little bit of hierarchy thrown in for accountability and management purposes."

McLagan observes an increasing number of people who devote considerable time and effort to ad hoc work, including special projects and task forces. Although as much as 40 percent of their time goes into this work, employees say that it is rarely discussed during the performance appraisal nor has any real bearing on their overall assessment. "Many of our HR systems have been set up to support a hierarchical view of our organization that doesn't exist anymore. An individual's skills and knowledge are making much more of a difference in how work is allocated than used to be the case when structure and job descriptions determined what work you would do."

McLagan predicts a future where static structure and job descriptions as we know them become obsolete. "I think an individual's goals will be their job descriptions, and I think these job descriptions will be renegotiated more often." Indeed, we will need to adjust the way we consider our careers. "We're used to thinking of careers as moving up from job to job. In

high-inflation days, companies actually created jobs and levels so that people could move up.

"We can't do that anymore. Today every job needs to add value. People need to think of their careers differently, especially in terms of increased capability and an expanded repertoire of experiences. Maybe you do that by moving laterally, or staying in the same job, or moving to an international position. Moving up isn't really a good way to think about careers anymore."

### **Power for change**

"I think we're on the edge of something tremendously exciting in HR. I've grown aware of how much power for change people have in the HR field and how important it is that we manage that power effectively."

McLagan's commitment to that philosophy is apparent to her clients and colleagues. Richard Sade, assistant associate administrator for Space, Science Application at NASA, had the opportunity to work with her on a mission-contracting assignment a few years ago. "I found her extremely professional and competent. She really had an understanding of work force psychology. She brought a dimension to the whole exercise that we were missing on the inside." Eventually, that exercise resulted in expanding the program to encompass the entire flight center—some 3,500 civil servants.

Mac McCullough, executive director of Instructional Systems Association, worked closely with McLagan on *Models for Excellence: The Conclusions and Recommendations of the ASTD Training and Development Competency Study*. This book is considered the first definitive model of the core body of knowledge that shapes the training and development field. McCullough has great admiration for the sheer bulk of volunteer time McLagan devoted to the project as well as the work she contributed. "I think her professionalism has reaped incredible dividends, not only for ASTD but for the entire training and development community."

Regarding her personal future, McLagan plans to bring a little more balance into it. She will continue to write professionally as well as devote more time to friends, writing poetry, playing music, and exercise. As for HRD, she plans to continue. "I feel I've got an awful lot to learn about the global environment and how organizations thinking new age can work. I don't see myself getting out of it or moving away. I love it."

