Developing personal responsibility and leadership traits in all your employees: part 1 – shaping and harmonizing the high-performance drivers

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Abstract
Proposes that to optimize enterprise performance and longevity, organizations must develop and sustain appropriate traits of personal responsibility and leadership in all employees. Contends that this is feasible and describes how it can be accomplished. Part 1 of this paper deal with shaping and harmonizing the high performance drivers. Part 2, which will appear in *Management Decision* Vol. 40 No. 9, will deal with optimally shaping and harmonizing focus, will and capability.

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Introduction

Change is a fact of life, and we can neither run nor hide from it. Furthermore, the change we experience today is unpredictable, indeed often surprising, and typically "granular" – occurring most acutely at the individual level. These statements are matters of common experience and need no citations from literature to substantiate them. Under such circumstances how then can we attempt to optimize enterprise performance and longevity? We believe that undertaking appropriate responsibility and leadership at the individual level throughout the enterprise is a very critical element – in other words, every person exhibiting leadership, not just "the leaders". It is our contention that this is feasible and the objective of this paper is to indicate how it can be accomplished.

In reflecting on complexity and organizational management from a psychoanalytical point of view, Gabriel *et al.* (1999, pp. 280-8) notes that in today's chaotic business climate it is to be expected that managerial rigidity and faith in authoritarian control will rise with feelings of insecurity and uncertainty, although such faith is largely misplaced. However, we agree with Goldstein (1992, p. 16) that we need authority relationships in organizations, not authoritarian relationships. In an authority relationship the supervisor sets the boundaries and context for the work and the supervised individual exercises judgement in how to carry out the work. The supervised individual also has the right to negotiate a change in the boundaries. If the supervisor abdicates this responsibility, the supervised individual becomes more rigid as (s)he is made to feel responsible for tasks and outcomes that (s)he cannot control.

Our objective therefore throughout this paper is to explore means to position an organization in the "innovative organization" and "collaborative culture" quadrant of Figure 1. This provides the organization with an optimal balance of formative/normative mindsets so important to organizational viability in times of high business turbulence (Smith and Saint-Onge, 1996), and promotes freedom to exercise personal responsibility and leadership whilst ensuring that such activities are fully targeted on the organization's business direction and imperatives (Smith, 2001).

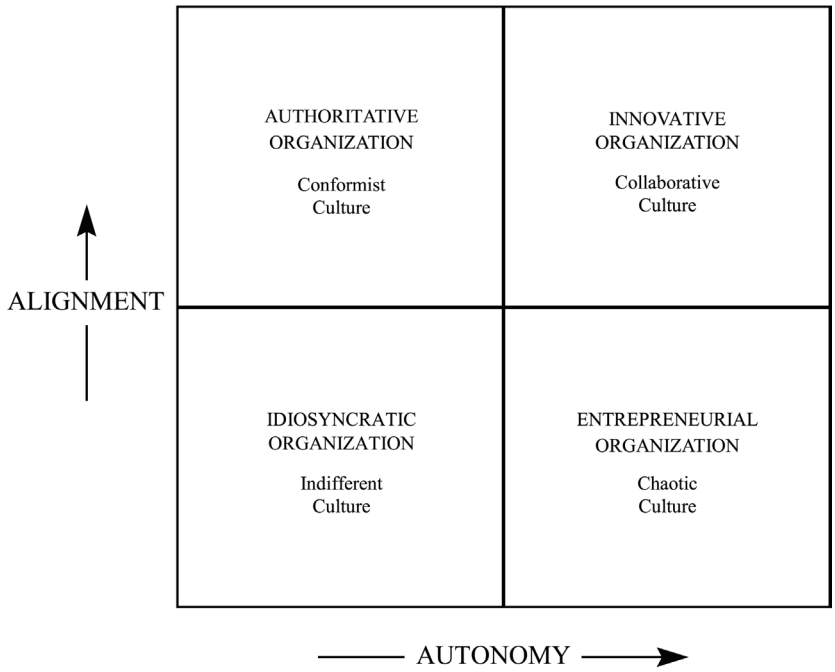
In part 1 of this two-part paper, we first construct a theoretical foundation for development and maintenance of personal responsibility and leadership throughout an organization. We then show how this can be designed and monitored using a simple performance system comprised of the three fields – focus, will and capability.

We then examine important factors that shape the state of the three fields, and explore various aspects of serious endemic shortcomings that we perceive in development of the fields. We will show how to test for over- and under-emphasis on individual fields; how to recognize signs of imbalance; and how to remedy weaknesses. Then we will discuss causes and resolution of the serious endemic shortcomings in field development.

Personal responsibility and leadership: a "new science" platform

In this section we will discuss the theoretical platform for implementation of personal responsibility and leadership. The platform is based in complexity and field theory, which are concepts of physics (Gleick, 1987). These notions were first popularized as a "new science" perspective on business organizations by Wheatley (1992), and later developed by other authors such as Mitroff

Figure 1
The alignment-autonomy framework



and Linstone (1993), Kelly (1994), Sanders (1998), Gabriel *et al.* (1999), Lewin and Regine (2000).

A reading of Wheatley's (1992) book will show that some of our questions on authority and optimization of performance and longevity in the face of radical change are essentially questions about an underlying way the world has been traditionally perceived. Ackoff (1981, p. 6) calls this "Weltanschaung, our view of the world" and he goes on to say "this view has either an implicit or explicit impact on just about everything we think and do". In spite of the passage of a decade, Wheatley (1992) concurs with Ackoff (1981) that the prevailing view in very many organizations is still outdated, and cannot help significantly to deal with the complexity and turbulence of modern organizational life. Another decade on, we believe that unfortunately this is still true today. Furthermore we argue that the prevailing Weltanschaung is the root cause of the general lack of individually exercised responsibility and leadership.

As Ackoff (1981, p. 11) points out, in this prevailing perception, the world is viewed as a machine, not merely like one. In fact the world has often been compared to a hermetically sealed clock (Ackoff, 1981, p. 11). This concept derives from the exclusive use of analysis, and the doctrines of reductionism and determinism rather than systemic thinking. The logical outcome of this world-view is a feeling of helplessness and inevitability, resulting in a reluctance to exercise personal responsibility or leadership.

The alternative current view of the world contends that most organizations at the individual level are complex chaotic systems. Even the learning organization (Senge, 1990) by design is chaotic (Figure 1). Based on this alternative systemic perception, Wheatley (1992) sees the world not as clockwork, but as formed of dissipative structures in which disorder can be a source of order, and growth is found in dis-equilibrium, not in balance. In such a world-view, the exercise of personal responsibility and leadership by all individuals is key to their survival.

The very richness of the diverse elements in a complex system allows the system as a whole to undergo spontaneous self-organization (Waldrop, 1992); such a structure is never resting. Although it has clear boundaries, the self-organizing system merges with its environment and its history is tied to this environment. Self-organizing systems are adaptive, in that they do not just passively respond to events, the way a rock might roll around in an earthquake. They actively try to turn whatever happens to their advantage.

However, chaos by itself does not explain the structure, the coherence, and the self-organizing cohesiveness of such complex systems. It turns out that even the most chaotic of systems stay always within certain boundaries called "strange attractors"

(Gleick, 1987). In this way there is order without predictability. Successful systems have all somehow acquired the ability to bring order and chaos into a special kind of balance. This balance point is called "the edge of chaos" – this is where the components of the system never quite lock into place, and yet never dissolve into turbulence either (Gleick, 1987).

The edge of chaos is where new ideas and innovative genotypes are in tension with the status quo, and where the most entrenched old guard will eventually be overthrown. At this boundary, complex systems are constantly revising and rearranging their building blocks as they gain experience. This kind of behaviour led Weick (1979; pp. 223, 229) to assert:

> ... it is only through action and implementation that we create the environment ... when we plan we aren't responding to the environment, we are creating it through our intentions ... strategies should be just-in-time, supported by investment in general knowledge, a large skill repertoire, the ability to quick study, trust in intuition, sophistication in cutting losses.

Capra (1982a) based on studies of self-organizing systems and self-renewal, sees a requirement for development of more ingenious new forms of social organization. According to Capra, a successful organization will display systemic wisdom in its use of small-scale, decentralized, responsive units, designed for increased self-sufficiency and maximum flexibility. It should not be inferred that the organization's overall size must be small, although all things being equal, a small organization clearly has more opportunity to be agile. Rather, the organization must change its structure to feature such small-scale connected elements. It is our contention that for such an organization to be successful, all its employees must exercise personal responsibility and leadership

According to Wheatley, some of the best ways to create continuity are through the use of forces we cannot see, called "fields". Many scientists now work with the concept of fields – invisible forces that structure space or behavior. For example, Bateson (1988) asserts that control in chaotic systems is exercised through "dynamic connectedness". Mitroff and Linstone (1993) advance the idea that the organization exists on many levels and one of them is the area for diffusion of innovation – independent of hierarchy or whatever – creating "fields of meaning" for action. Boisot (1994) holds similar views, seeing turbulence as a source of new order. To ride this turbulence and absorb uncertainty the organization needs what Boisot calls an "organizing gestalt" that functions much like a field. An organization's visionary core must be developed at its "center" to provide such fields (McNeil, 1987; Parker, 1990; Smith and Saint-Onge, 1996).

Wheatley (1992, p. 133) believes that:

> ... what leaders are called upon to do in a chaotic world is shape the organization through concepts, not through elaborate rules and structures.

The organizational meaning thus articulated becomes Gleick's (1987) "strange attractor", and in this way individuals make meaning to produce order from chaos. She adds:

> ... when meaning is in place in an organization, employees can be trusted to move freely, drawn in many directions by their energy and creativity. There is no need to insist, through regimentation or supervision, that any two individuals act in precisely the same way. We know they will be affected and shaped by the attractor, their behavior never going out of bounds. We trust that they will heed the call of the attractor and stay within its basin. We believe that little else is required except the cohering presence of a purpose, which gives people the capacity for self-reference (Gleick, 1987, p. 136).

We contend that vision is a field, and we echo Robert Haas who said when he was CEO of Levi Strauss & Co. (Howard, 1990) "conceptual controls are the way to create it". These controls are the business ideas that act as fields to give form to work, and structure what's happening at the level of the individual. Space is never empty; the organization seeks to fill business space with coherent messages; care must be taken that dissonant messages do not creep in as employees bump into conflicting fields, and it all becomes a jumble. The organization must allow appropriate autonomy at the local level, letting individuals or units be directed in their decisions by guideposts for organizational self-reference (Smith and Saint-Onge, 1996). In other words, foster personal responsibility and leadership.

The theoretical platform for the personal responsibility and leadership approach we are advocating is embodied in the concepts advanced by the authorities cited above, being founded on the principles of self-organizing systems and self-renewal plus development and maintenance of "fields of meaning" or "conceptual controls". Our notion of personal responsibility and individual leadership expressed at all levels of an organization fits well with the views of these authorities. For example, Capra's (1982a) view of a new social organization

involving use of small-scale, decentralized, responsive units, designed for increased self-sufficiency and maximum flexibility

A practical performance system to realize these principles, and to provide a framework to foster responsibility and personal leadership throughout an organization, is described in the next section. The system is comprised of three drivers, or "fields" (focus, will, capability). In this system, performance is targeted to achieving the business outcomes desired and the concept has been used successfully in a number of organizational settings (Smith, 1993; 1997). Performance in this context includes, but is not limited to, the exhibition of personal responsibility and leadership.

Personal responsibility and leadership: a practical three-element "field" system

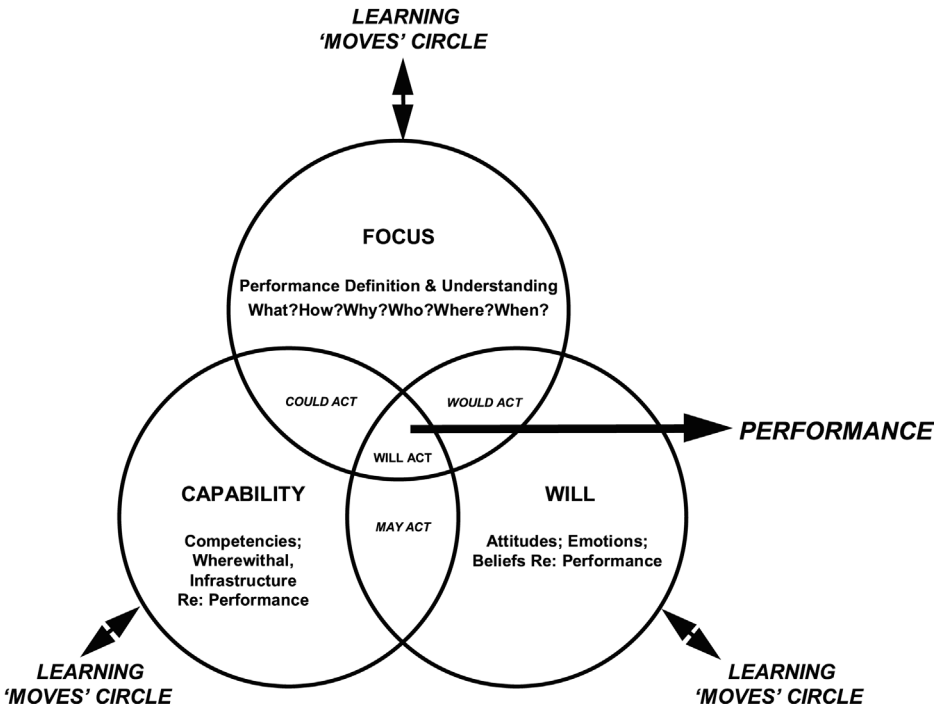
A practical three-element "field" system to actualize the personal responsibility and leadership approach we are advocating is described in this section. The three systemic elements or fields are termed focus, will and capability. The model is presented in Figure 2 and represents an outcomes-driven performance system for personal responsibility and leadership performance.

The model has been introduced successfully since the mid-1980s by one of us (Smith) to enhance general performance in organizations as diverse as Exxon (Smith, 1993), Canadian Imperial Bank of Commerce (Smith and Saint-Onge, 1996), and IKEA (Drew and Smith, 1995). In particular Drew and Smith (1995) apply the model to performance optimization in the face of change. The model has also been used in a number of instances as the practical means to facilitate the development of a learning organization and leadership (Smith and Saint-Onge, 1996). A very detailed account of its use in learning applications and in establishing linkages to business outcomes has also been published (Smith, 1997). It has also been used as a foundation for a practical approach to dynamic strategic planning (Smith and Day, 2000).

According to this model, performance is envisaged as dependent on three elements, or fields as described in the previous section; namely focus, will and capability. These three fields form a dynamic system. The actual current performance level achieved by the system depends on the interactions and interdependencies of the three fields.

Focus represents a clear definition and understanding of the performance proposed; focus is associated with questions such as what . . .?; how . . .?; who . . .?; where . . .?; when . . .?; why . . .? The field of will represents strength of intent to action the performance defined in focus; will is associated with attitudes, emotions, beliefs and mindsets.

Figure 2
The performance system



Capability represents the wherewithal to transform into reality the performance defined in focus; capability is associated with such diverse areas as skills, infrastructure, budgets, tools, physical assets etc. A change in any one of these fields may effect a change in the state of one or both of the other fields.

The most favourable set of conditions for optimal performance occurs when focus, will and capability form a self-reinforcing system, with all fields in balance and harmony. As Figure 2 shows, current performance potential is represented by the degree of overlap of the circles; optimal performance being represented by complete congruence of all three circles.

Areas shown in Figure 2, where only two model fields overlap, are typical of real-life situations. These imbalances and lack of congruence typically lead to misdirected and wasted efforts, as well as loss of performance. For example, organizations often concentrate on developing an individual's leadership skills (strong capability) without regard for either the person's poor understanding of their leadership role (weak focus) or lack of motivation to carry it out (absent will). The key to performance optimization is the continual dynamic tuning of the degree of overlap of the fields based on re-making and re-shaping meaning through development initiatives.

As Figure 3 illustrates, the performance model is consistent across all levels of the organization; however, the meaning of focus, will and capability will change to reflect the changing context. This is a very important strength of the model. For example, at organizational levels, the fields will be designed to achieve strategic leadership performance but will provide broad consistent guidelines within which, for example, fields generating appropriate team or personal responsibility and leadership performance can be defined.

Measurement of the performance status is therefore related to measuring and comparing the current state of the performance system model versus design ideals. As is shown in Figure 4, the model fields can be envisaged as moving on three vectors. This provides the mechanism by which quantification of the changing states of the fields can be achieved, e.g. using questionnaires (Tosey and Smith, 1999). In this way the exercise of personal responsibility and leadership can be monitored and the fields shaped dynamically to promote it.

This performance system is conceptually simple and elegant, and is easily grasped at any level of the organization (Smith and Saint-Onge, 1996). In addition it is wholly consistent with the notions discussed above regarding dynamic connectedness, fields of meaning for action, and organizing gestalt. The performance model provides a visionary core at the organization's "center" to invoke such fields (McNeil, 1987; Parker, 1990) and stimulate discussion and clarification. This is very important since, as was noted earlier, space is never empty; an organization must seek to fill business space with coherent messages. Otherwise, dissonant messages will creep in as employees bump into conflicting fields, and it all becomes a jumble.

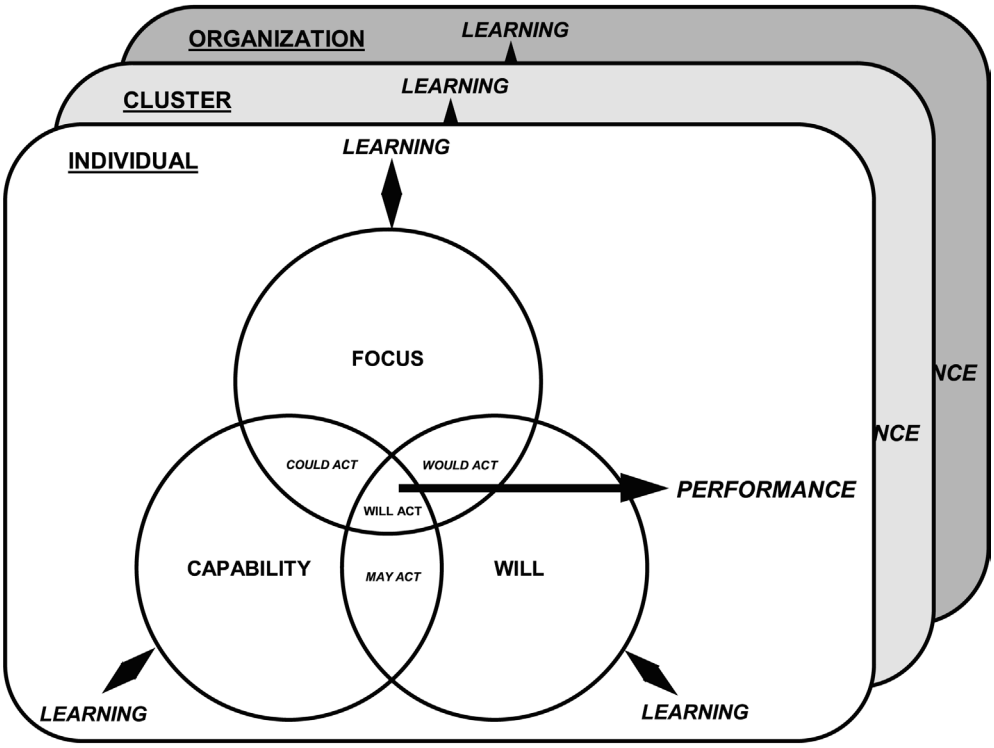
The model's fields represent the ideas that provide the "conceptual controls" essential to creating the kind of personal leadership and responsibility vision espoused for the organization (Howard, 1990). They act as fields to give form to work, and structure what's happening at the level of the individual. As discussed in the previous section, once ideal focus, will, and capability are defined, the system forms a "strange attractor", and individuals in the organization will make meaning to produce order from chaos through these fields. That means that when focus, will and capability are defined appropriately, personal responsibility and leadership will be promoted naturally.

The model is particularly important because it provides three "levers" that in principle can be set by senior management, in concert with employees, to position the organization to attain high-performance, including the necessary exercise of personal responsibility and leadership at all levels. Based on the authors' lengthy experience in "field" implementation, capability is most likely to be overdeveloped; focus underdeveloped; and will essentially undeveloped. Yet to optimize, or even maintain good performance, it is critical that balance and harmony are maintained among all the fields, since too much emphasis on any one or two of the fields is probably worse that too little. This is because valuable resources will be wasted, and since little good eventuates from their expenditure, a "credibility black hole" will be created that negates potential later efforts.

Harmonizing focus, will and capability

As described by Smith and Tosey (1999) and Tosey and Smith (1999), the state of any of the three fields can be readily assessed from responses to a simple questionnaire that can be administered to the whole organization, or

Figure 3
All levels based on the same model



to any defined-target community. An example of such a questionnaire (for team use) is presented in Table I, reproduced here from the paper by Tosey and Smith (1999). Alternatively, a more subjective assessment may be made using indicators similar to those detailed by Drew and Smith (1995).

A wide range of initiatives can be launched to attempt to shape and harmonize the fields, bearing in mind, as noted earlier, that they form a system, and that a change in any one of these fields may effect a change in the state of one or both of the other fields. A selection of such initiatives, drawn from the literature and reproduced from Drew and Smith (1995; p. 10), is presented in Table II. The Table includes these authors' judgement of the impact of the various initiatives on focus, will and capability.

Although the above initiatives are likely to be impactful in shaping and balancing the three fields, we feel that typically there remain serious endemic barriers to fostering personal responsibility and leadership in all employees. These barriers will also be significantly detrimental to overall optimal performance, since, as described earlier, it is our contention that personal responsibility and leadership are essential to organizational success and viability.

In the next section we discuss these barriers and their causes, together with our sense of what constitutes desirable organizational contexts. We will also briefly explore aspects of Eastern philosophies and religions that are in keeping with new science concepts (Capra, 1982b; Mahesh, 1993; Dreher, 1996) and indicate how these notions may be utilized in shaping the three performance fields.

General discussion: endemic performance barriers and means to overcome them

In this section we discuss a number of endemic shortcomings related to development of each of the three individual fields, focus, will and capability. Given the highly systemic nature of their interactions, no attempt has been made to discuss individual fields in separate dedicated segments.

As was noted previously, in an effort to foster "ideal" performance, organizations typically explicitly over-develop capability; under-develop focus; and to all intents and purposes, do not develop will at all. This does not mean that the fields of focus or will in the employee community are necessarily weak. On the contrary, capability is exerted through "roles and tasks that exert overt and covert control over emotional displays" (Putnam and Mumby, 1993, p. 37), and hence

Figure 4
The three measurement vectors

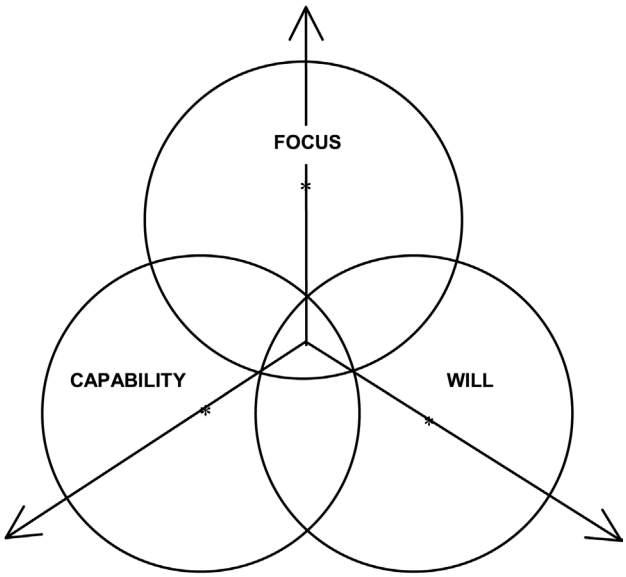


Table I
Sample statements from an "approach A" team-evaluation instrument (Participants respond on a Likert scale – strongly disagree to strongly agree)

Focus-related	I have a good idea of how our company is meeting its competitive challenges
	Our team's goals for the future have been made clear to me
	We all know the best way to go about getting our team's work done
	I am fully aware of how my contribution will be valued
	Our team has full access to the information we need to get our job done well
Will-related	The work our team does is very meaningful to me
	I feel a strong sense of belonging to this organization
	We put in extra effort when we get behind schedule
	The company and I believe in substantially the same values
	I feel the organisation can be trusted to have my best interests at heart
Capability-related:	This team has the skills to do the job
	Resources are made available when required for unexpected priority work
	Management is organised for effectiveness
	I am trained to fulfil my role
	Our teamwork is excellent

Source: Tosey and Smith (1999)

Table II
Learning tools and techniques

Three-circle analysis	F,W,C (Drew and Smith, 1995)
The five disciplines	F,W,C (Senge, 1990)
Action learning	F,W,C (Revans, 1982)
Learning styles	F,W,C (Honey and Mumford, 1989)
Action science	F,W,C (Argyris, 1990)
Cultural analysis	W,C (Schein, 1993)
Dilemma reconciliation	F (Hampden-Turner, 1990)
Scenarios	F (De Heus, 1988)
Benchmarking	F,C
TQM/re-engineering	F,C

Source: Drew and Smith (1995)

there is an implicit effect on will. This gives rise to situations where "organizations develop a social reality in which feelings become a commodity for achieving instrumental goals" (Putnam and Mumby, 1993, p. 37) which has an implicit effect on focus. These authors talk of "emotional labour" being expended in this effort (Putnam and Mumby, 1993, p. 37); unfortunately this produces compliance and conformity, rather than the commitment that is the characteristic vital to high performance (Senge, 1990; Smith and Saint-Onge, 1996). The overall result of the development of unbalanced and inappropriately targeted fields is that the

behaviours are not exhibited that it is anticipated will produce "ideal" performance, including those to foster personal responsibility and leadership traits. Predictably disagreeable results are typically achieved.

The reasons that prevent organizations from achieving balanced well-targeted fields are complex and somewhat illogical, as one would expect where tacit feeling-laden concerns are involved. For example, organizations typically operate with a façade of rationality whereas will involves "soft", cultural, and often irrational issues that management finds difficult to deal with or admit. Will is often perceived as negative, linked to the expressive arenas of life rather than to the instrumental goal-orientation that drives organizations:

> In addition to treating emotion as a physiological state, people regard emotion as a value-laden concept which is often treated as 'inappropriate' for organizational life. In particular, emotional reactions are often seen as 'disruptive', 'illogical', 'biased' and 'weak'. Emotion, then, becomes a deviation from what is seen as intelligent (Putnam and Mumby, 1993, p. 36; attributed to Lutz, 1988, p. 62).

In contrast, the fields of capability and focus are relatively easier to address, since they rely on production of tangible "evidence" such as vision and mission statements, action plans, tools, skills, and the like. Indeed an organization's charter-marks tend to strongly emphasize these two fields. Although statements such as "Our people are our biggest asset" are routinely added, in our experience, only lip service is paid to them.

Perhaps there is a fear in organizations that focusing on will leads to anarchy or loss of control in achieving the goals of the organization. An alternative view suggests that this is not necessarily so:

> Organizations do not need to abandon instrumental goals, productivity, or rationality to develop alternative modes of discourse. Emphasizing work feelings calls for including what is currently ignored or marginalized in organizational life. Rationality is not an objective, immutable state. Rather it is socially constructed and cast as the dominant mode of organizing. Rationality and technical efficiency, however, should be embedded in a larger system of community and interrelatedness. Perhaps organizations of the future could offer society a new alternative, one shaped by emotionally-connected creativity and mutual understanding as necessary elements for human growth (Putnam and Mumby, 1993, p. 55).

In our view, shaping a will field to promote personal responsibility and leadership entails developing this culture of "emotionally-connected creativity and mutual understanding". This requires that an alternative mindset be developed, one that views organizations as less rational and embraces all the complexity, one where the old ways of planning will seem obsolete. As Wheatley (1992, p. 46) says:

> I want to use the time formerly spent on detailed planning and analysis to create the organizational conditions for people to set a clear intent, to agree on how they are going to work together, then practice to become better observers, learners, and colleagues as they co-create with their environment.

Because of the inter-related nature of the performance fields, creating such a culture means shaping focus such that it pulls people towards the organizational goals rather than pushes them. Traditionally, organizations formulate the vision/mission/goals and then to cascade them downwards through the organization. This is not likely to positively influence the will segment. Rather, people must be pulled toward a visionary core through their involvement. This is accomplished by aligning the organizational vision to people, rather than the people to the vision (Mahesh, 1993, pp. 230-1; Kouzes and Posner, 1995, pp. 129-33).

The benefits of collaborative shaping of focus lie in each person's subsequent actions and behaviours. When employees themselves clarify the focus of the organization, they gain more than a sense of direction and a means to define their code of conduct. The process helps them develop the appropriate will. This is because each person will be motivated to act in accordance with the role-related responsibilities they have defined for themselves. This approach is analogous to the Hindu concept of "Dharma" set out in the *Bhagavad Gita* (Prabhavananda and Isherwood, 1944). Dharma is a code of conduct that can be associated with each individual's role and duties, and that has proven to be a practical behavioural model for many hundreds of years. The *Gita* has other important practical implications for management practice (Beer, 1994) that will be touched on later in this section and in part 2.

Organizations are blocked from taking this radical approach when managers' views of their own relationship to work are out of step with the views of others. Mahesh (1993, pp. 60-3) describes an experiment conducted in different countries involving over 3,000 people. Groups of managers/supervisors/teachers were asked to complete a questionnaire on their own relationship to

work and to answer the same questionnaire on behalf of other communities. A universal picture emerged: people always rate themselves as the harder workers and underestimate the work of others. In our own practice, one of us (Smith) has assessed how hundreds of managers in many different organizations view their own behaviour versus behaviour in the rest of their organization. In all cases managers see themselves as much more enlightened than the rest of their organization (Smith and Pamukoff, 1998). In both these examples, the principles see the problem as "them" not "us". Such a view operating within organizations clearly holds back the potential of a large section of its employees.

Our objective, as we noted earlier, is to position an organization in the "innovative" and "collaborative" quadrant of Figure 1. This provides the organization with an optimal balance of formative/normative mindsets so important to organizational viability (Smith and Saint-Onge, 1996) and promotes freedom to exercise personal responsibility and leadership, whilst ensuring that such activities are supportive of the organization's business direction and imperatives (Smith, 2001). It must not be forgotten that as focus is being set, will and capability must also be developed to match.

An important factor in shaping the will field is the understanding that in today's business world those dubbed "leaders" no longer know all the answers, nor can they chart the organization's work with subordinates lined up to do their bidding. Leaders and followers need each other. This however, gives rise to an uneasy balance (Hirschhorn, 1990). In a collaborative setting, the leader must make plain his/her own vulnerability, and risk that his/her followers may cease to see the leader as worthy of following. Likewise the followers must alter their passive dependent role and thus risk threatening and/or alienating their leader. In the desirable context envisaged in the innovative/collaborative quadrant of Figure 1, individuals are asked to collaborate with authority in shaping the organization's direction and culture. People can no longer simply fulfill their role and duties. They must stay in touch with their own feelings and use them as the basis for negotiation with authority in regard to their roles. In this sense, all employees must take personal responsibility and exercise leadership for the benefit of all. Shaping the will field to address this vulnerability balance will be further discussed in part 2 of this paper. A useful typology of authority is provided by Hirschhorn (1990, p. 541) and the paradoxes of leadership have been explored at length by Farson (1996).

As discussed above, it is still the responsibility of each individual to work to achieve the goal(s), and to act according to the responsibility that comes with his/her role within the organization. Each individual has to feel that each act he/she commits impacts the organization's goal(s) and performance. Given the freedom to act in different ways implied in the high-alignment/high-autonomy segment of Figure 1, individual employees need to understand that there is a consequence to each act (however large or small the act) that impacts the organization, and subsequently the employees themselves. Also there can be no such thing as "not acting". Even when someone "doesn't do" something they have acted "in the act of 'not doing'".

This notion of responsibility is similar to the Hindu concept of "karma". Karma, like dharma, has proven to be a practical behavioural model for many hundreds of years. According to karma, in the next life every person receives the fruits of their actions in the present life. This concept is fully consistent with the new science view of organizations discussed earlier, and when accepted fully, it becomes a powerful force in organizational life. This notion alerts us to the consequences of our actions; each action has impact on others but also on ourselves. It reduces the tendency for individuals to feel powerless "victims". Each person contributes to the organization as it is; and there is a co-creation of the culture of the organization. It has a powerful message "You are the organization"; there is no "them". The teachings of Taoism also affirm that we are all part of a larger whole. Taoism is based on the *Tao Te Ching* (Mitchell, 1988) written by the sage Lao-tzu 2,000 years ago. The *Tao Te Ching* "With classic precision and grace, describes the essential principles of systems theory in nature and human society" (Dreher, 1996, p. 4).

Beer points out that the *Gita* (Prabhavananda and Isherwood, 1944) also underlines the notion of the systemic outcome of many inputs: "In reality, action is entirely the outcome of all the modes of nature's attributes" (Beer, 1994, p. 441). Most profoundly, systems thinking instructs us that the true consequence may not be immediate. As Sherosky (1997, p. 283) so eloquently puts it "Every act and every thought is a moment of present truth and future reckoning". In an organizational setting this can have meaning in alerting individuals to the consequences of their actions over the short- and long-term life of

the organization. Second it emphasises the need to think actions through, not only for oneself but also for the wider organization. The more individuals are positioned in the organizational context that is represented as the "innovative" and "collaborative" quadrant in Figure 1, the more they will act in a way that explores and gives weight to the consequences, and the more they will be exercising personal responsibility and leadership.

Conclusions

In order to optimize enterprise performance and longevity, we believe that it is critical that all employees demonstrate appropriate personal responsibility and leadership throughout the enterprise – in other words, every person exhibiting leadership, not just "the leaders". We conclude on the basis of the guidelines presented in this two-part paper that this is feasible. We believe that a key step in the development of such a culture is familiarity with the concept of the performance system. Such a system can then be used to analyse, shape and monitor the kind of culture desired.

In this paper we first construct a theoretical "new science" foundation for such a performance system comprised of the three fields of focus, will and capability. This theoretical platform is founded in the concepts of self-organizing systems and self-renewal plus development and maintenance of "fields of meaning". We describe how these three fields act as "conceptual controls" to give form to work, and to structure reality at the level of the individual. We conclude that once ideal focus, will, and capability are defined, the system forms a "strange attractor", and individuals in the organization make meaning to produce order from chaos through these fields. That means that when focus, will and capability are defined appropriately, personal responsibility and leadership are promoted naturally.

We indicate how the state of any of the three fields can be readily assessed and a wide range of initiatives launched to attempt to shape and harmonize the fields. We conclude that although such initiatives would be effective in shaping and balancing the three fields, typically they are not utilized, resulting in serious barriers to fostering personal responsibility and leadership in all employees. For example, in the absence of a performance system approach, and in an effort to foster high performance, organizations typically explicitly over-develop what we call capability; under-develop focus; and to all intents and purposes, do not develop will at all. This does not mean that these three fields are not strongly present but rather that they are present in some negative sense with respect to the performance desired. The overall result of the development of such unbalanced and inappropriately targeted fields is that the behaviours are not exhibited that it is anticipated will produce high performance, including those to foster personal responsibility and leadership traits. It is our conclusion that when rigorously applied, the performance system approach advocated here considerably facilitates the process of identifying shortcomings and defining what is required to overcome them.

In part 2 of this paper we will outline some explicit initiatives that an organization can implement, in order to influence the three performance fields such that overall "ideal" behaviours, including personal responsibility and leadership at all levels, will be developed and maintained, and optimal performance realized.

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