Designing future businesses: acts of revolution or evolution?
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Abstract

In line with the State Government’s initiative to encourage innovation and creativity a Diploma of Applied Design in industry was embedded into courses we deliver at the diploma level to increase the capacity of our students to operate in dynamic business environments.

During 2006, the Centre for Hospitality and Tourism Studies at Box Hill Institute has run a pilot program that is a complete departure from our traditional methods of delivery. Within the Advanced Diploma of Hospitality Management and Event and Hospitality Management, we have delivered a holistic style of teaching to complete three diplomas and two advanced diplomas covering 11 business units. Using the framework of Young Achievement Australia (YAA) we created a practice firm which facilitates a much more individualised style of teaching enabling teachers to work with each student, meeting their specific learning needs whilst catering for differing levels of engagement and skill.

Using a learner-centred approach and team teaching presents many challenges, the most prevalent of these being the need to constantly renegotiate boundaries. Integrating the Diploma of Applied Design has also created a number of challenges. Hospitality/Events students who have not necessarily signed up for a design qualification were initially reluctant and working with a design teacher whose frames of reference were very different was a key challenge for staff. This paper will explore the key learnings the challenges and the changes we will make to this very successful program in 2007.

Introduction

Teaching at the Certificate V and V1 levels creates many challenges. How do we equip students to become effective managers in turbulent times? How do we create a program that minimises the duplication in the training packages, How do we teach management competencies within the artificial world of a classroom whilst remaining engaged and enthusiastic as teachers? Any current management text book will suggest that organisations are becoming dynamic, flexible, skills focussed, team oriented, diverse, involvement oriented, customers oriented and that there will be a blurring of role and time boundaries (Robins, Bergman Stagg and Coulter 2006). Many organisations are replacing rigid bureaucratic structures with self-managed teams; such teams require a new set of skills. We hope that the program we offer to our students will equip them for future leadership.

Since 2005 we have used the Young Achievement Australia program as a framework to create a practice firm. In 2006, students had 22 weeks to do “everything a real business does”. They registered their company name, sold shares for start up capital, set up a bank account, approached companies for sponsorship, voted or nominated for
leadership positions, designed a product, conducted market research into the product, manufactured the product, wrote a business plan, monitored cash flow, identified target markets, generated media releases, developed rosters, tracked sales forecasts, managed stock control, sold the product, reviewed marketing strategies, identified the break-even point, prepared profit and loss statements, wrote an annual report and distributed profits to shareholders. In line with the State Government’s initiative to encourage innovation and creativity, a Diploma of Applied Design in Industry was embedded into the course to increase the capacity of our students to operate in dynamic business environments.

My conceptualisation of YAA is that we created a self-managed team, with the teaching staff operating on the boundary. By doing this, we reinforced and developed critical organisational survival skills.

The specific objectives of our program are:

- To help students make the transition to the complex and often irrational world of modern organisations, to do this we have tried to create a world as similar as possible to the real world, yet one that is shielded and safe.
- To increase students’ capacity to negotiate, to find, make and take a role, to reflect on their experience of inter-group dynamics and use this as a basis for further learning. The capacity to manage anxiety is a skill that organisations do not select for in operational and managerial staff, yet it is essential in the modern service organisation where the immediacy of the feedback loop allows no room for error.
- To implement the training packages in the most effective way, given that they are essentially written for workplace delivery, yet we like most TAFE institutions train, and educate people who are just entering the workforce (Hawke 2002). To create a framework that presents the opportunity for practice before assessment in order to meet “The standards (as outlined in training packages, which) are highly structured statements of performances expected of a competent worker in the workplace… and not descriptions of what a novice knows (Hawke 2002 p11).
- To increase students capacity to create and problem solve in order to maintain relevance in an era of ongoing flux and change.

In describing our approach to delivering Diploma and Advanced Diploma units within the Hospitality Training package, I will use the framework of systems psychodynamics to explore the changes we have made to the way we deliver the program. A systems perspective asks us to explore how we impact on others and how others impact on us. It asks us to reflect on our experiences and use them as a basis for learning. It argues that all behaviour, even apparently irrational behaviour, has a rational foundation; consider an organisation as an iceberg, we can only see the tip, but there is plenty happening beneath the surface.

Psychodynamics suggests that we learn our organisational behaviour in infancy and that early learning and primitive drives (defence systems) continue to influence behaviour in adulthood. It suggests that we seek a context in which we can contain our behaviour; that where there is no mechanism for containment primitive behaviours of splitting, projection and idealisation occurs.
Krantz (1998) argues that traditional bureaucratic structures offered secure authority relationships and the capacity for containment; that as bureaucratic structures are dismantled, alternative structures need to replace them to allow for mature functioning. One suggestion is that teams can create a safe space that enables staff to work effectively. Effective teams must be carefully constructed and those working within the teams need to be appropriately skilled in a new range of behaviours to function in a modern and much more complex world.

As a teacher it would be easier (if boring) to stay within the safe space of MY classroom, limiting my interaction with peers and teaching the theory of effective people management in isolation, but will this really help my students become effective managers?

**Literature review**

Self managed teams are perceived as the panacea for many organisational ills and a mechanism for structuring modern organisations, yet few of us know and understand the complex psychological processes that make teams work. The idea that teams can improve organisation function first arose from the work of Emery and Trist who identified that organisations are Soci-technical systems; Bion’s work with patient groups’ capacity to self heal, further reinforced that organisation around groups can be an effective way of progressing thinking (Hirschhorn and Barnett Eds 1993).

We learn our organisational behaviour in infancy; Klein (1959) argues that infants experience persecutory anxiety in that they perceive all discomforts to be imposed on them by “hostile forces”. Because infants can see no boundary between self and mother (introjection), they cannot see themselves in isolation from their mother: all feelings are attributed to the mother and they (the infant) experience everything as part of their inner life. Because the infant psyche is not well developed, the infant needs to separate good and bad objects by a process of splitting and projection. Projection is the process of attributing to others aspects of our inner theatre; these can be friendly or hostile.

Klein (1956) labels the first 3 months of a baby’s life as the schizoid position this is characterised by “omnipotent destructive impulses, persecutory anxiety and splitting and projection (p.9). As infants grow they should develop the capacity to function in isolation from the mother and to integrate good and bad objects, (ego development). Klein labeled this position the “depressive position”. In the depressive position the nature of anxiety changes as infants experience feelings of guilt for attributing negatives to loved objects, and seek reparation. They develop the capacity to integrate objects, to perceive themselves in relation to others. With normal development comes the capacity to integrate objects from the external world, to acknowledge that someone has a fault but to still love them This is the foundation of the capacity to build collaborative relationships. The depressive position based on the infants’ capacity to work through, equates to the Freudian construct of the superego; the force that controls damaging impulses. Where a child experiences the mother largely as a good and dependable object a strong ego will be formed and the capacity for positive relations. Klein (1959) argues that our first authority relationship with our mother forms the framework for how we relate to all objects in our adult world. These early behaviours can come to the fore in any group situation.
Only in depressive position can we acknowledge contributions of others, especially those who we recognise as having the capacity to contribute more than we can. This is an essential skill for effective teamwork. In groups primitive emotions are evident as issues of dependence, interdependence and authorisation can bring to the fore early paranoid schizoid experiences. Klein labels this the manic defence system, a "psychological system for avoiding dependence on others (Klein in Hirschhorn 1985 p.43). If adults operate from the paranoid schizoid position projecting negative elements and perceiving the self as good and others as bad they cannot work with others in collaborative relationship; hostile projections reduce the adults’ capacity to operate as individuals, they cannot make objective judgement and have little capacity to build empathy.

Projection, when not of a hostile nature, is the foundation for empathy and the capacity to relate to and understand others. If the interplay between introjection and projection is not dominated by over-dependence, and is well balanced, the inner world is enriched and the relations with the external world are improved (Klein 1959 p.10).

Lapierre (1989) has studied the link between effective management and the two positions and identified that when leaders operate from the paranoid schizoid position their “exercise of power tends to be shaped by grandiose, unrealistic ideas that culminate in ineffective efforts (in Krantz 1998 p 3).

However as noted by Krantz, “When people are functioning from a depressive position they are able to mobilise their resources to confront the reality of complex tasks and challenges..... are able to tolerate complexity, assess reality from multiple perspectives and understand realistic opportunities. It also allows us to take responsibilities for our actions, rather than to externalise our unwanted parts and create persecutors in our environment” (1998 p. 3).

Given the need that when managing people in groups it is important to create a framework to help people operate from the depressive position, we need to know what tools managers and teachers can use to maximise the probability of this occurring. Winnicott (1960) suggests the role of the mother in creating a safe holding environment in which the infant can develop into a separate being: a holding or containing space.

In an organisation, it is the role of the leader to create a containing space. Effective leaders manage a group’s external boundary to create some certainty for those they lead. “By ‘standing at the boundary’ senior managers create a more controllable world in which the activities within the boundary are relatively predictable and organised and can therefore be coordinated to respond to an uncertain outer world” (Hirschhorn 1990 p.32).

In the absence of strong leadership, role can create a containing framework. By developing a clear role boundary, that identifies the work I am responsible for and what I am not responsible for, I am able to perform to the organisational and team expectations. Hirschhorn (1990) notes that when we take a role, we work within the psychological boundaries and can appreciate our co-workers as collaborators, but that
people will move out of role if anxiety is too great and we will see in others the projected elements that we find too difficult to hold, we experience others, not as they are but as we see need to see them, so that they can play roles in our internal drama (p.49).

Tavistock theorists argue that in the face of uncertainty, task boundaries may be replaced; that primitive thinking, splitting and projection come to the fore. Hirschhorn (1990 p.33) contends “that in retreating from the task boundary and creating an imaginary world, people are frequently retreating from the imagined consequences of either injuring another or being injured in turn” For example, as a new teacher I am anxious about making judgements about students, so I retreat from this key requirement of my role and idealise all students, giving them all high marks. Bureaucratic organisational structures were effective in creating safe containing spaces in which people could enact roles, however they also limited the capacity for individuals to contribute much and are too inflexible for our competitive world. As bureaucracies are dismantled, alternate mechanisms are necessary to contain primitive anxieties. Many organisations structure work around small teams that have the capacity to act as a container. When employees feel secure in their role they can be more creative contributors to organisational life.

We must prepare our students for the increased psychological challenges of working both in teams and in service roles where feedback is immediate and therefore more anxiety provoking, giving rise to the potential for defensive responses, that have the potential to damage peoples capacity to work with others. Krantz (1998) suggests that a customer focus means people in organisations must work collaboratively to maximise customer experiences, that traditional rivalries must be put aside.

Research method

Psychoanalysis assumes that there is no quick fix for organisational problems, but that people must work through the myriad of problems, anxieties and doubts that are inherent in organisational life. (Hirschhorn, Barnett Eds 1993). It assumes that people learn from one another and from reflection on experience. Hence this paper is a reflection on our experience. In order to prepare this paper, I found an article by an author I was familiar with via the Masters Program I completed 3 years ago, despite not having previously read the article I was constantly surprised by how much what he said reinforced my unconscious rationale for participating in our YAA program, how much I unconsciously integrate psychodynamic theory into what I teach.

This paper reflects on our experience of moving beyond the whiteboard, to develop a program that asks staff and our students to fully engage in a learning journey, a journey that will hopefully equip them for life in complex modern organisations. It w identifies challenges experienced and makes recommendations for strategies we will need to implement if the program is to continue.

Discussion

The Hospitality Training Package was one of the first training packages to be implemented, we were confronted with a whole new way of teaching and given little time to think about how to construct our teaching within the new framework. Staff
were anxious about the change in what they would teach in the new framework. Anxiety about change was evident, but not discussed. As in all situations where anxiety permeates behaviour, the capacity to think creatively and negotiate across boundaries was minimised. Staff grabbed the most similar package to what they had previously taught and held on to it, developing the curriculum in isolation, totally at odds with what the training packages should be about. This meant that what we delivered was fragmented and there was much overlap. Training packages are written from a holistic perspective. There was no time and probably no inclination to establish the dialogue and develop the shared meaning necessary for holistic delivery. Psychodynamics argues that where effective leadership exists it is possible to work through anxieties associated with change. Ineffectual leadership meant there were no structures to plan and develop for the change.

I taught the unit Monitor Staff Performance and felt I could not deliver this unit in isolation, if I was to conform to the package requirements. Susie had previously taken responsibility for some finance competencies and negotiated to continue to do this when David arrived. There was a natural synergy between the Advanced Diploma Finance and Business planning units. I worked with them in a semi satisfactory cluster of units. For Susie and David, the students developed and costed a business plan, covering the units, Develop and Implement a Business Plan, Develop and Manage Marketing Strategies and Manage Finances in a Budget and Manage Physical Assets. Students worked in teams to do the work, thus enabling them to monitor the performance of team members. This brought to the fore all the traditional challenges associated with having students work in teams, some worked effectively whilst others were exceedingly dysfunctional. My perception of the need to cover a vast array of theory delivered to the whole group meant there was little time to work with dysfunctional teams. This focus on theory can be seen as a defence against the anxiety of developing real relationships with students, whom I will need to make a judgement about.

Susie had used the YAA program when she first started teaching at BHI because she wanted students to gain real experience in running a business, in order to balance the very theoretical Diploma and Advanced Diploma program. But Susie found that it was unsustainable because it was extracurricular for her and the students. The available timeslot on a Thursday night precluded many keen and capable students. A co-mentor suggested that Susie should withdraw, as she was “too much of a teacher”. He wanted to manage the process alone. Some subsequent inappropriate behaviour from this mentor encouraged Susie to explore a way of bringing the YAA program in house. To do this created a number of challenges, as staff at midlevel management were reluctant to try anything new. They were locked into a cycle of rigid and bureaucratic thinking. As Susie had become more confident and capable in managing the organisational politics she circumvented this block and was able to begin negotiating with YAA to use their program; fortunately there were sufficient pre-existing sponsors to cover the program fee.

Because we must find our own sponsors this has forced us to manage on the external boundary of BHI, a role previously the sole domain of our overworked department head. Krantz (1990) argues that by putting decision-making at the boundary of the organisation, organisations can be much more responsive to environmental changes, keeping us more relevant. Because we have been responsible for finding and
managing sponsors we have developed some very beneficial relationships for our students. These relationships also keep us more relevant. We have also discovered that when you have to find your own sponsor you protect this relationship very carefully. This is consistent with Chappell (????) who suggests that the new VET professional will be able to “work across organisational boundaries” (10).

It was hard to align with YAA’s requirements in just one semester, students could not participate in all tradeshows, the business skills program and the awards night. There was no sense of being in a competitive business world. We did not manufacture our own product and let the students on sell. We were unsure of when we should intervene, unsure of how to frame our roles of teacher/mentor. Because we did not produce any product just on sold, many students had no clear role in the team and this caused considerable disengagement and issues relating to assessment. We were also unclear of what we expected of students and so we could not help them in finding an appropriate role.

We had shared class time when we all could work with students, but still delivered much theory in isolation. This was relatively successful, for some students, but not all students were engaged. Some did little work and probably learnt little in the 6 months. We had a schism in the team (allowing for projective behaviours and perceptions of good and bad groups) between those who worked hard and those who did little. Some students had no real role in the company so cannot be blamed for their limited participation and I am not sure that our leaders wanted others to fully participate, as they desired to control all outcomes.

This raised for me the need to consider a focus on the dynamic of leadership and followership. Our society’s focus on leadership and the heroic idealisation of those in leader positions, does not acknowledge that effective leaders require good followers. This was something I have tried to convey in my classroom with little success. Yet all effective organisations need more good followers than leaders. Concepts such as this and others like the need for leaders to authorise subordinates to be responsible for key tasks within their capacity, I taught in my classroom, but at purely a theoretical level. I had no capacity to observe students actually developing their delegation skills, or to help students reflect on how their behaviour might lead to another becoming engaged or disengaged.

YAA requires that we mentor students, rather than teach in the traditional way of a subject expert. This required a new way of thinking about teaching and relating to students. It also requires a much more personal approach that can be more threatening to both parties. Unconsciously, the next year we framed the structure in such a way to try and overcome this issue.

In 2006 the monolithic beast that is our timetable was challenged and staff were permitted to work together, to share a classroom. This was a radical change, as we are often described as an organisation of silos. Working together required that staff also reconceptualise role boundaries, something we recognised as important as initially we all did everything, which was exhausting and unsustainable.

This time we ensured that all students had a clear role within the company, but made the error of allocating students into roles before the group had a clear understanding of what each person had to offer.
Because two groups had been joined there was a split between hospitality and events students, which saw the group elect a leader based on popularity rather than capacity to lead. This was disappointing as a hospitality student (in the minority group) was clearly the most capable student. Forming the group was a challenging process as we were all unsure of what our roles were and where we were going, we took too long to spill the leadership and didn’t reinforce behavioural boundaries sufficiently such as punctuality, attendance and task completion. As effective leaders should we have intervened earlier? We are continuing to learn how to be a mentor/teacher, how to manage a group for the boundary. How also do we continue in our role as teachers with the requirement that we make judgements about students?

Throughout the program students were able to find, make and take a role that fitted their skill set and enabled them to contribute much more than a traditional approach to teaching allows. For example one student produced a video, that we now use in all promotional activities.

We added an additional qualification, the Diploma in Applied Design (in Industry) for two reasons. Firstly to improve the quality of the product the students sold for their YAA firm, secondly, to improve their capacity to function in a world of flux and change. Applied Design skills are about problem solving. Hawke (2002) hypothesises that future jobs will fall into two categories, high skill, high value and low skill, low value, that the high skill jobs will require skills in knowledge creation as opposed to application. Creating safe and contained spaces develops a framework in which creative thinking becomes possible, linking applied design appears a natural synergy. In 2007 we have identified a number of further challenges that we must address if our program is to survive.

Issues of assessment have been figural. In a traditional classroom we have used graded assessment, but this is just not possible when students are doing different things.

We need to authorise Susie as our leader. My experience of teachers is that we are reluctant to authorise others to have authority over us, yet a leader is essential to any team; all the more so, as we are now a team of five with two new members. We need to continue to learn when intervention is appropriate and when to let students learn from mistakes. Given the success of our program in netting a number of State and National awards we may be subject to organisation pressure to manage the students’ performance, yet this is not what YAA is about.

We all need to continue to negotiate our role in relation to the other staff and the overall project. Student feedback suggests that students wanted more structure. Our challenge is to balance this with a desire to increase students’ tolerance for ambiguity.

We need to manage time boundaries more appropriately to prevent staff and student burnout.

Further we need to have management acknowledge that it takes time to work collaboratively and to make an allocation for this.
We need to work on our capacity to create a containing framework in which the students can begin to work together; in 2007 we are delivering a lot of theory initially. This use of a traditional structure may help the team bond more effectively. Given the loss of our key advocate will we survive without her, to manage at our boundary? Particularly given the potential for projective envy from other staff members who may feel threatened by the success of our program.

We need to learn to manage our own projections and the much more intense relationships that a more personalised approach to teaching brings.

We need to get the balance right between our role as mentor and our role as teacher.

**Conclusions**

I believe that by using the YAA program we have been able to use it as a container that has enabled us to build close relationships between staff and deliver much more integrated training and education to our students. This has meant that we are more effectively equipping our students to be effective players in modern organisations. We are giving them skills Krantz identifies as critical to the 21st century such as the capacity to “tolerate the shame and frustration of not knowing live with the vulnerability required to learn from other, and cope with the public experience of being wrong” (Krantz 1998). He further argues that new order organisations require skills in negotiation and the capacity to learn in public, and to learn from others. How we conceptualise education is changing, Hawke (2002) suggests that until recently “leaning was seen as primarily a consequence of education…however we now see learning as the primary focus, this acknowledges that learning can occur anywhere.

Further there are opportunities for us to be creative and reconstruct how we conceptualise teaching, enabling us to individualise our programs to meet the specific needs of our industry and the students we teach. This I believe is what we are doing. Is it evolution or revolution? Given that you are mature self directed learners I leave that for you to decide.
References


