

Why are trees 'fit-for-purpose' and so many organisations not?

In the first article in the Janus series, we noted that a very common form of organisation in nature is that of the hierarchy. A well recognised example is that of a tree. There is the (normal) hierarchy of roots under the ground, topped by an inverted hierarchy of branches that reaches for the sky. Each hierarchy has its own separate function within the ecosystem called a tree. The roots seek water under the surface, and feed it, together with various nutrients, into the rest of the structure. The leaves on the branches apply a process called photosynthesis that uses the energy from sunlight to produce sugar, which cellular respiration converts into a fuel ATP¹ (that is actually used by all living things).

When we look inside the physical structures of the tree, we see a similar hierarchical model being applied all the way down to the molecular and sub-molecular levels. Some of the headings that would apply are (in ascending order of detail) organ systems, organs, tissues, cells, organelles, molecules, atoms and sub-atomic particles.

In many ways the structure of a typical business organisation is very similar. There is an hierarchy, with the CEO and Board at the top. There are various divisions or departments, each with a head. These break down into sub-units, and so on down through the hierarchy. Most units have a number of people, generally with a 'head of function', but some may have only one person. In business organisational terms, we have reached the molecular or atomic level.

As the tree has a number of structures and sub-structures, each with its own specialised contribution to the health and longevity of the tree, so do business organisations. Or at least, that is the theory. In practice, that aspect of the 'organisation' has a habit of breaking down, and we need to understand the reasons why. First a quick re-visit to the tree to acquire a few important lessons.

The tree is programmed to handle a wide variation in environmental conditions. Some of these are routine, as for example the changing seasons of the year. Different trees have different mechanisms, but they all have them and the majority of trees appear to not just survive changing conditions but positively thrive on them. When mankind comes along with global warming, and other external changes occur, life gets a bit harder, but at least until extreme conditions arrive, trees appear to adapt and carry on thriving.

One of the reasons for this is that the functional roles of the various structures in trees change with changing external conditions. Another is that trees avoid the trap of excessively tight and over-prescriptive rules on how the various parts of the system are supposed to behave. Instead, simpler guiding principles allow much adaptation - simple rules enable highly variable, adaptive strategies to evolve, and the tree adapts to a changing environment.

One of the consequences of this is that many tree species have long and largely successful lives. These, in some cases, last for centuries. For example:

- A Great Basin Bristlecone Pine (*Pinus longaeva*) called Prometheus was measured by ring count at 4,862 years old when it was felled in 1964. This was the greatest verified age for any living organism at the time of its killing.
- Fortingall Yew, an ancient yew (*Taxus baccata*) in the churchyard of the village of Fortingall in Perthshire, Scotland is probably the oldest tree in Europe. Various estimates have put its age at between 2000 and 5000 years.

¹ Adenosine triphosphate

- Fitzroya cupressoides is the species with the second oldest verified age, a specimen in Chile being measured by ring count as 3,622 years old.
- A Sacred Fig (Ficus religiosa) specimen, the Sri Maha Bodhi which is also known as the Bo Tree, is, (if its reported planting date of 288 BC is correct), at 2,293 years old, the oldest known flowering plant. It is in Sri Lanka.
- A specimen of Lagarostrobos franklinii in Tasmania is thought to be about 2000 years old.
- Numerous Olive trees are purported to be 2000 years old or older. The age of an olive tree in Crete, claiming such longevity, has been confirmed on the basis of tree ring analysis.
- Of the living trees, the granddaddy of them all is another Great Basin Bristlecone Pine known as Methuselah. Measured by ring count of sample cores, it is, at 4,838 years old, the oldest known living organism currently alive. It turns out that the bristlecone pine has evolved survival strategies that might make other, less hardy plants green with envy. These strategies help it cope with one of the most flora-unfriendly environments on the planet.

We wonder how many business organisations will get even close to matching that record. It is understood that such business organisations, as we know them today, have only been around, at all, for a few decades, but that is not the question. Given the current rate of failure of businesses, or them being taken over or broken up, or of businesses passing out of fashion, or being overtaken by new technologies, the question is more about how many will see out the century. The prognosis does not look good.

So how is it that trees - that don't even have the guidance of a Board, complete with Chair and CEO, non-executive directors and controlling shareholders - can be so successful, when business organisations, that do have all that guidance, are so much less successful? According to Arie de Geus in *The Living Company*², the average life expectancy of Fortune 500 firms, from life to death is only 40 to 50 years. Interestingly enough, Arie de Geus argued that companies should be thought of as living beings, and not as machines. 'Machines' are designed, operated and run by people who perceive them as mere physical and technological resources. This mental model applied to organisations produces what we have labelled the 'designed organisation'.

The argument in outline

Here is a very brief description of the logic of the difference between trees and designed, man-made organisations that helps to explain the longevity of trees and short life of so many organisations. The argument is developed more fully after this outline:

- 1 There is a sharp distinction between trees as a species and individual trees.
- 2 Individual trees do not have a designer – that is the role of evolution, in this case being applied over many millions of years, and it applies to the species not individual trees. Here we are concerned with the life of an individual tree.
- 3 Individual trees survive and thrive because they are excellent at adapting to a changing environment. This includes regular seasonal changes, and exceptional changes - for example, very cold winters; very wet periods; and very dry periods. It also includes what might, from time to time, be very harsh environments for the tree in question.
- 4 Quite often, they survive extreme environmental changes imposed by mankind.
- 5 Their ability to adapt makes them 'fit-for-purpose'. The purpose is their own survival.
- 6 Organisations have designers – 'intentionality' is introduced as a factor that does not apply to individual trees.

2 *The Living Company* ~ Arie de Geus ~ Nicholas Brealey Publishing ~ 1997

- 7 The underlying purpose of organisational design is to introduce stability, repeatability and predictability, much the same as it is for machines. This is one facet of management's felt need for control.
- 8 These are the opposite of the characteristics needed for a state of ongoing, unending adaptation.
- 9 Over time, as the environment changes and the organisation fails to adapt, it becomes confirmed as 'not fit-for-purpose'³ and eventually it will wither away and die.
- 10 If the purpose of organisational design is to develop an organisation that is perfectly suited to constant adaptation, then that is bound to fail, since that would be a contradiction in terms.
- 11 The development of an organisation that is fit-for-purpose requires management to create the conditions for it to happen and then accept that there is no real chance of (conventional) control of outcomes. Emergence becomes a normal condition, that is both a source of organisational vitality and (false) concern to excessively control-focused management.
- 12 Once the conditions for ongoing adaptation exist, the key contribution of management becomes to get out of the way!

The Designed Organisation (and informal networks)

Most business managers agree that today there is a critical need for innovation – in products, services and the way that our organisations are managed. This includes internal processes and structures, and the way that the organisation interfaces with the external environment. Failure to innovate is likely to leave the organisation struggling, since someone else will innovate and challenge traditional methods – and maybe even take away a market or two.

There is also general agreement that the business environment is very volatile – and that means that organisations have to keep on changing.

Taken together, the first two observations mean that running an organisation today is hard – very hard!

Stemming from these issues, there are commonly shared concerns. The first is that there is a critical need for an effective strategy. There is an equally critical need for an organisation that is capable of delivering the strategy. Finally, there is also a critical need for organisations to capitalise on their key asset – their people, their knowledge, know-how and skills.

But there is also a felt need for control. (The fear of losing control in constantly changing circumstances was discussed in chapter 4 of this series, along with the negative consequences of too many of the wrong sort of control mechanisms).

It is this felt need for control that drives many of management's responses to the other concerns. The general response can be categorised as the 'design route'. Organisations invest substantial sums in designing their structures and processes. They even spend additional sums in re-engineering their processes when they are thought to be deficient in some way.

Organisations recruit talented people, and then invest further in developing their skills and knowledge, as well sometimes spending lavishly on financial incentives to retain the talent they recruit. The investment in financial incentives is sometimes, (mysteriously), categorised as being for motivational and performance improvement purposes, although there is little evidence to support the efficacy of such a tactic.

Very large sums of money are invested in researching the market, the economy and technological, regulatory

³ Fit-for-purpose organisations are very similar to resilient organisations – see the MT paper 'Permissions and resilient organisations' for an introduction to this way of thinking about successful organisations.

and social trends – and then that is all converted into a planned strategy. Another rather quaint tactic is the conversion of strategy into long range plans. The evidence is that management's decisions are seldom informed by long range, strategic plans, so again this is a move that has limited benefits, and even less return on investment.

It is interesting to stop and reflect on the real purpose of all this design activity. The underlying purpose is about providing stability, predictability and repeatability – the organisation is under control. What the design of organisation structures really does is to distribute power, mainly for making decisions about resources. Designed processes distribute tasks, mainly to create coherence in the way that jobs get done and outputs delivered.

The simple tactic with strategy is that it is communicated to people, who are then expected to deliver it.

(Also mysteriously, it is sometimes not communicated at all to 'operational people', who may be regarded as some sort of 'underclass'. If operational people - those employees who are supposed to deliver the strategy - do not know what it is, there is no strategy. There is only useless strategising and even less useful bits of paper. This thought appears to have escaped the attention of some managers. To compound these nonsenses, some managements even review and update their so-called strategies on an annual basis - which is enough to make most psychologists salivate!)

All of these design tactics contain implicit messages about what people are expected to deliver and how they are expected to behave – stability, predictability and reliability are the sensed and even explicit messages, of which more shortly.

What transpires after all this design and planning is that the products of it often break down as soon as the organisation interacts with its environment – which is anything but stable and predictable. This is one manifestation of the thought expressed by Helmuth von Moltke the Elder⁴ that “No battle plan survives first contact with the enemy”.

Realising that the organisation has to function in the real, turbulent world, talented people are told that they must innovate – that was the business need noted in the first paragraph of this section. Reflection suggests that this is a very good way of creating instability, un-predictability and un-repeatability – but within a system designed to produce the exact reverse. Remarkably, senior managers then complain when people fail to deliver the innovation so desperately needed!

What actually develops out of the conflict between demands explicitly expressed to good hearted people, and the implicit messages contained in all those design decisions and control behaviours by management, is predictable – that word again! - but has little to do with the stability and predictability so desired by organisation designers and controllers.

Talented people care about community, customers, service quality and the long term success of the organisation. Talented people actually want to innovate – they do not need to be told. It is one way of expressing their talent. What happens is that they get together with other talented people, often in informal groupings that cross organisational boundaries, to innovate their way around the designed-in constraints that restrict their ability to deliver excellent results in a changing environment. Whereas formal structures and processes distribute power and tasks, informal networks distribute influence that enable their members to get problems resolved, decisions made – and add value to the organisation and its business on the way through.

At its most basic level, these informal processes are one way of increasing the probability of people

⁴ Von Moltke was a disciple of von Clausewitz, to whom the remark is often attributed. It did not mean that planning was not important to the military. It did mean that as a battle evolved, field commanders had to have the opportunity to adapt their positions and movements, according to the needs of the developing battlefield. This was a lesson never learned by Hitler, and only slowly by Stalin, with often grave consequences. The Admiralty tried, from a room in Whitehall, to control Royal Navy ships' tactics to a remarkably detailed degree during the Battle of the Bismark, with similar results. There are organisation managers who have yet to learn the same, fundamental lesson.

continuing to get paid every month. On a more elevated level, they enable good people to learn, develop and grow, and to underpin the longer term survival and success of the organisation.

Much has been written about the creation of new knowledge – in other words, organisational learning. Most commonly it is agreed that new knowledge is created when people share existing knowledge across organisational boundaries, to resolve problems. Inevitably, the people involved in such a process also learn. The best innovation appears to come from cross-boundary problem resolution, so the link between innovation and new knowledge creation becomes clear.

In the face of these common sense reactions to dealing with the designed organisation, management's reaction, if still driven by the need for control – that illusion that so many top managers keep on pursuing - is to invest even more money, more intellectual, emotional and physical energy in re-designing structures that do not exist in reality. The informal networks of relationships are the real structure. A similar investment is made in re-designing processes – the re-engineering route – that equally do not actually exist in the hidden, real world of organisation systems.

When it is realised that the organisation is still not running to the carefully crafted model the designers set out, the next move is to 'have a change programme', as a device to change peoples' behaviour. Some managements even decide what values employees need to adopt, and communicate them via videos, posters on the wall, and a variety of other 'obsessive communications' channels. All of which adds up to a selection of different means of exhortation. In other words, when 'design' fails to deliver, what is tried is yet another form of 'design'.

And then the same, design-and-control-fixated management wonders why the response is rarely what was desired.

The Real Organisation (and informal networks)

Putting to one side all arguments about so-called intelligent design, there is one immediate, striking difference between naturally occurring systems such as trees and organisations of the designed, man-made variety. Trees have no designers. In fact, trees have evolved over very long time spans. The first seed-bearing plants appeared in the Devonian era. These colonised non-wet land, beginning a significant change to much of the land surface of the planet, since their root systems slowed down erosion, and encouraged soil to develop.

280 million years ago, conifers and related tree species started to take over the land, and the first vast forests appeared. During the Permian period, around 240 million years ago, cycads joined the conifers, and these dominated the flora until the arrival of flowering plants in the Cretaceous period. At the end of the Mesozoic era, a mere 66 million years ago, many of the trees we love today had appeared, including the oak, holly, walnut and palm.

Some major differences between the trees of the Devonian and late Mesozoic are illustrated in the pictures on the next page. (In passing, it is worthy of note that the Mesozoic period pre-dated the beginning of the present ice age, (about 40 million years ago), and that trees as we know them survived that drastic change in their collective environment).



Devonian



Meozoic

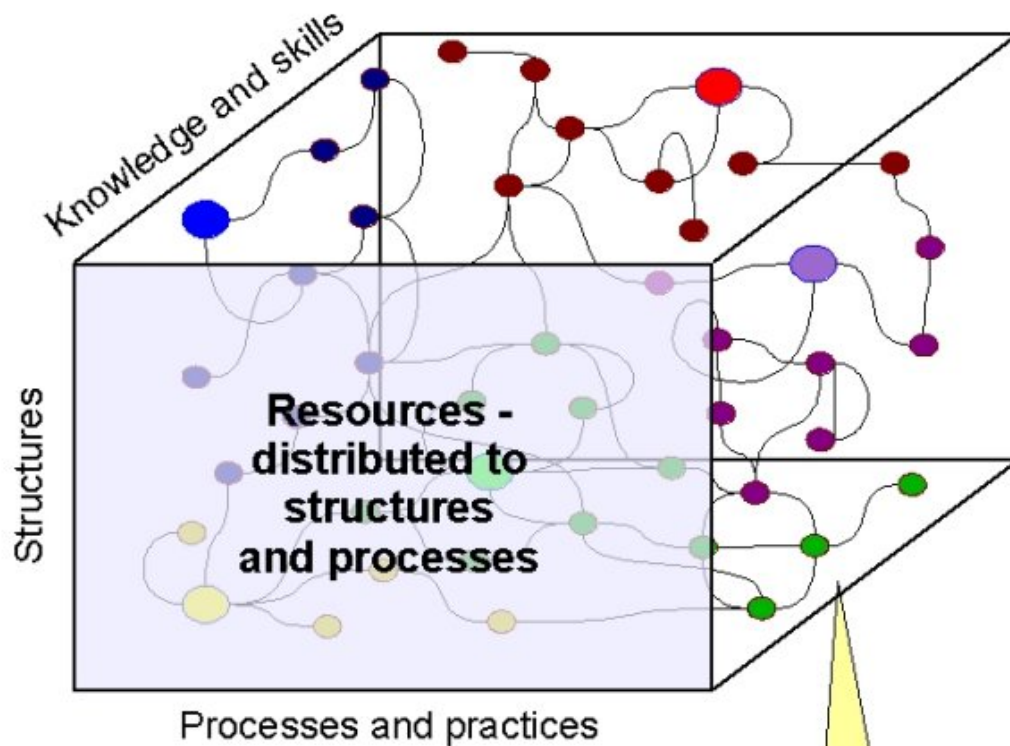
Could it be that it is the very absence of design that has enabled trees to be so successful, over so many years? Could it also be that it is the attempt to direct and control organisations by design that is one source of their common ailments, and their ultimate short life?

That would be too simplistic a conclusion, as it is over-simplistic to take von Moltke's words to mean that he was against military planning.

The diagram on the next page illustrates some of the features of all organisations, and provides some clues about how to develop a fit-for-purpose organisation.

'Design' concerns the exterior structure of the box – the piece visible to the outside world, in our case, the designed part of business organisations visible to management. The 'design' extends to the way that resources are distributed to structures and processes. In theory at least, the Z axis – the knowledge and skills of people – is also part of the formal design. This aspect of design is limited by the inability of many organisations to define what knowledge and skills are really needed to get the job done, and to assess what knowledge and skills people actually have. Part of the reason for this limitation is about the difficulty of

The 'fit-for-purpose' organisation model



NB Values can only be discovered – they cannot be 'designed' and stated, with any hope that achieved reality will match the ideal that is the aim of the exhortation

Underpinned (or not) by (real) ethics & values

The box is the formal description of the organisation, and is that part that is (ordinarily) visible to management. The box contains a variety of (informal) relationships between people and people; people and functions; people and the design of structures and processes, people and managing behaviours. The contents are largely invisible to management but are critical to the success of the organisation. The design of the box and its contents send implicit messages to people about what is permissible – and what is prohibited.

defining management skills, as distinct from motor skills. Another is that the definition of what is needed tends to be in the light of the designed organisation – which generally has little connection with the real hidden organisation.

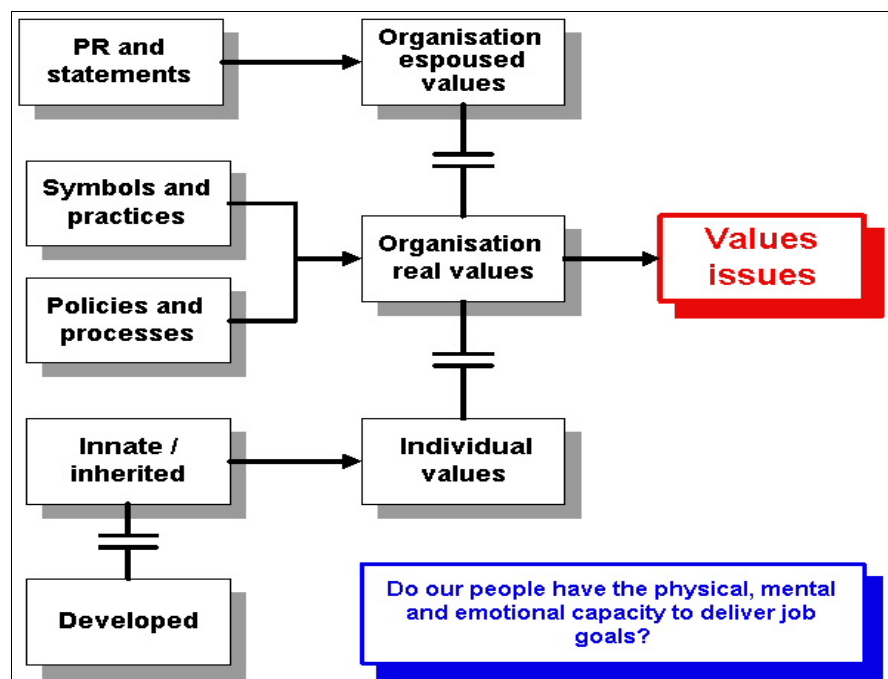
That last point goes some way to explain the drift that occurs in the theoretically tidy model of the hierarchy of role contributions referred to at the beginning of this paper. The roles that individuals adopt are as variable as the informal networks of which they are members. As they move away from formal definitions of their roles, (for example in job descriptions), the skill set they actually need similarly moves away from that implied by the formal description of the job. As people develop needed new skill sets, these enable them to change and / or expand their actual contributions. These may be at variance with the formally described job. Where the organisation in question is not supportive of ongoing adaptation to a changing environment, and places significant constraints on peoples' ability to deliver what is actually needed, these contributions may be more about innovating ways around the constraints than about directly adding value to organisation performance.

The limitations of the designed organisation become clear as soon as we start to think about both the contents of the box, and its base. Taking the base of the box first, all people bring with them a set of ethics and values that is complex, and that has multiple sources. Some are, for example, inherited. Many were developed through family life, commonly from two role models called parents. When the extended family is taken into account, the chances are that there are both strongly embedded values, and some conflicts as well. As the individual matures, more, and more varied ethics and values are encountered through the education and socialisation process. There will, again, be some strong values and some conflicts.

When the individual joins a company, two new sets of values are encountered. The real values that drive people in the organisation, and those espoused by management. Here is where the problems start to emerge, illustrated in the diagram to the right:

(The symbols with two parallel bars are meant to indicate conflict or at least the potential for conflict).

The values espoused by management come in two different forms. The first occurs where there is an attempt to decide what values are desirable in the organisation, and then



communicate those desired values to people. The second, and much more important, are the symbolic messages contained in the design of the structures and processes. Combined with the behaviour of senior managers, these communicate very effectively the real values that drive management and the formal business of the organisation. These implicit messages occur thousands of times a day, and drown out management's occasional attempts to convey a different kind of message.

Where conflicts occur between the real values of the individual, and the real values of the organisation, then 'values issues' arise. If there is a perceived conflict between the real values of the organisation and those that management talks about, then the values issues are exacerbated. It is hardly surprising if a degree of cynicism about the organisation and its management starts to develop.

With significant values issues in place, there is now a key question that needs to be surfaced. It is the one in

the blue box in the diagram. If the answer is 'No', then all the design, all the analysis, all the planning and all management's exhortations will come to nothing – if the aim is to build a truly fit-for-purpose organisation, that is.⁵

So there is the first part of a recipe – track down values issues and their sources, and eliminate the sources. How to do this is discussed later.

If we now turn to the contents of the box, some parts of which have been noted above, the picture gains in complexity. This is the mass of relationships in which people engage every day while they are at work. To reiterate the point noted above, some of these relationships are between people and the symbolic messages contained in the design of structures and processes.

Even more complex are the relationships between people and people. That includes relationships between people all of whom are within the organisation, but also includes relationships between people within and many people who are not. Some of these are conditioned by the design of formal structures and processes; many are not. In fact, the majority operates outside and in parallel to the formal structures and processes, in a interlocking network of informal networks. To add to the complexity, informal networks are spontaneous and volatile, and hence transitory. They form, develop, adapt and decay, and then disappear completely, to be replaced by others. The membership of informal networks is variable and many people are members of several at the same time, and may move in and out of these informal networks, as needs drive them.

Informal networks are commonly without formal reporting relationships, and cross organisational boundaries. They operate to enable members to achieve both developmental and operational objectives, and often exist to subvert rules and protocols. Particularly as informal networks are hidden from the gaze of management, to managers too concerned with control, this makes them quite frightening entities. The worry is actually misplaced, but that does not stop control-focused managers worrying about them.

The reality is that large organisations impose huge constraints on employee performance, mainly unwittingly. Some of these constraints have been described above. To sensible people, informal networks offer an escape route that enables them, through acquired influence, to get problems resolved, their jobs done and key business goals achieved. Informal networks are self-organising; they drive emergent change; and that enables hidden issues to be surfaced and dealt with. They provide a channel to release knowledge and intellectual capital, and they operate at the boundary of stability and chaos, which is where all good innovation occurs.

Quite apart from the pay-off to the business, these informal networks are not a threat for other reasons. They do not drive the organisation towards disorder but towards emergent order. They have their own internal control mechanisms:

- Natural survival.
- Experimentation, with feedback, experiential learning and reality anchoring.

There is also the ultimate control, and that is on resources. (Informal networks do not have the power to consume or assign large, costly resources outside of formal, designed structures and processes).

Given that they are hidden from management's view, the question that is left on the table is about what management should do about them. Formalising them is not a good way to go – the design route again. In the first instance they would simply cease to be informal networks. They would become formal, designed networks, with all the built-in limitations that have been discussed above. This is the case, even if management succeeds in achieving the impossible – formalising something that is itself volatile and transitory!

⁵ The diagram used above is simplified, and only a partial description of a complex concept. A more comprehensive model, with a description, is available in Appendix A.

In the second instance, all that happens is that new informal networks appear, or to be more exact, develop but do not appear to management – they remain as hidden as ever. So the best bet for management is that self-organising teams are better left to get on with the job, but within agreed 'bounded freedom' limits. The manager's role is to resource 'successful tries' ~ and stimulate learning from the rest.

What does make sense is to discover something about why informal networks are forming, and the constraints they are tackling in trying to get their jobs done. Identifying these constraints and starting the process of demolishing them is one way of enabling network members to focus their energies on adding value, through totally positive actions, instead of consuming some of their energy in circumventing barriers.

That reference to 'bounded freedom' limits is an organisational example of the application of one of the lessons from the natural world. It was noted above that trees, (and all other natural ecosystems), have simple rules that enable highly variable, adaptive strategies to evolve. So is the case with bounded freedom. The principle is that is that people, either individually or in groups, have a defined set of thinking boundaries within which they can operate. A typical starter set would be:

- Corporate strategy – its direction cannot be changed.
- Performance improvement – that is the default intent that cannot be ignored.
- Resources – the answer to the question is 'No' – whatever the question.
- Ethics and values – “Not sure what that means but if it does not feel right, don't do it”.

In 'real world' applications of the bounded freedom principle, people can define their own boundaries. Commonly, they restrict themselves more than management would wish. Once defined, whatever people wish to do within their defined set of boundaries gets done. No recommendations are made – just decisions about actions. This is where the manager's role, as noted above, is to resource successful 'tries' and stimulate learning from the rest.

This is a variation on the loose – tight model of leadership. In that case, the polar extremes are about being participative and directive. There is only partial research support for the success of that model of leadership. Here, however, we are talking about something rather different. The tightness comes from self-imposed boundaries – another manifestation of the self-organising principle. The looseness comes from people having complete freedom to act within their own, self-imposed boundaries. The same internal control mechanisms as noted above still apply.

Another way of thinking about what is being described goes back to the von Moltke quotation referred to earlier. 'No battle plan survives first contact with the enemy' is not a prescription for giving up military planning. It is about enabling commanders on the ground to adapt the implementation of plans as the progress of the actual battle unfolds. That is a sort of bounded freedom.

In our case, the ideas outlined above are not intended to be taken as a prescription for not designing organisations. Quite the contrary – organisations cannot just be allowed to evolve, willy-nilly. It is an argument for having very clear principles to guide peoples' decisions, about what to do and how to do it, but allowing them freedom of manoeuvre, just like von Moltke's field commanders.

Influencers within informal networks⁶

It may be remembered that informal networks distribute influence. On closer examination, it turns out that influence is a key to how informal networks operate and add value to organisations. It has already been noted that one of the characteristics of successful ecosystems such as trees is their ability constantly to adapt to a changing environment. Which is just a fancy way of saying that within such successful organisms change is a constant – the organisation is change-enabled. There is much that is known about change in organisations today. For example:

⁶ The ideas in this section are used with thanks to Neil Farmer of Chatsworth Change. For a full discussion of how influencers can be involved to facilitate business change, using a technique known as IBT (Influencer Balancing Technique), please visit http://www.chatsworth-change.com/white_paper.htm

The most intractable difficulties encountered in trying to develop a change-enabled organisation often result from some combination of the following, very awkward people-traits:

- Individuals and groups have limits in their capacity to absorb imposed change – exceed the limits and people cease to function effectively.
- People look to their natural leaders / influencers (often locally) in times of change, and these people are often not their supervisors / managers / directors.
- Rumours abound in a changing business environment – the tendency is often towards extreme doom and gloom, particularly in the early stages.
- Executive directives have limits in being able to make business change work – cultural change always precedes fundamental changes in the way that people work.

In practice, these limitations are often obscured because many structural changes are within the exclusive gift of the senior executive team. High-level, (designed), changes in organisation structure, geographic relocations, and quite extensive staff reductions can all usually be implemented quite successfully by management decree. But when staff behaviours and ways of working need to change significantly as part of adapting to a changing business environment, the limits of executive power become very apparent ...

- Some people will always resist change – guessing who in advance is not easy. The larger the number of change-negative, natural leaders who resist, the less likely the change is to work.
- Bandwagon effects are commonplace in business change – these can be both positive and negative.
- Management seniority is often inversely proportional to an understanding of business processes, systems, culture and relationships – the real, hidden organisation that dictates how jobs actually get done, and products and services out of the door, on their way to customers.

Traditional design, command and control management techniques have missed something fundamental about people factors. Put simply, this fundamental management missing link can be summarised as follows:

- The formal management organisation determines a majority of day-to-day activities and operational decisions.
- A shadow organisation of influencers (typically with a 60% plus mismatch to the formal management structure) largely determines *the scope and pace of change* in the way that the business operates, adapts and develops. Communication between this shadow organisation and formal management is usually heavily distorted by personal and group 'politics'.
- Only when change-positive balances of opinion exist in *both* the formal senior management organisation and in the informal 'key influencer' organisation can a change-enabled organisation be successfully developed.
- Where the shadow and formal organisations come into conflict in a change situation, the balance of influence in the shadow organisation will almost always win the day or force an exhausting and indeterminate draw.

Studies suggest that influential people fall into three categories. Some are change-positive; some are change-negative and others are open minded towards change. In most organisations, little is known by management about how many key influencers there are, and how many fall into the three categories. A moment's reflection suggests that if change-negative influencers are in the ascendant, it will be extremely difficult to develop a change-enabled organisation, and that means that, in short order, it will cease to be fit-for-purpose.

To help understand what is actually going on, and the impact that key people are having on widely distributed attitudes towards change, it helps to further classify influential people. A useful model classifies influencers under these headings:

- Well connected individuals – people who routinely have contacts with significantly more than the norm for the organisational population at large.

- Key intra-group individuals – people who are very well connected both within their formal, (structural) groups, and within groups focused on specific, key topics.
- Key inter-group individuals – people who act as links between both formal and informal groups.
- Gateway individuals – people who are both well connected within their formal and informal groups, and who are also well connected with other, formal and informal groups.

A second moment's reflection will suggest that the tactics and sequence to be adopted in 'bringing key influencers on board' will depend both on the particular change process that is needed, and the distribution of key influencers, by type, throughout the organisation.

The Fit-For-Purpose Organisation

At which point, we can start to outline some of the key characteristics of a fit-for-purpose organisation:

- Its design decisions about structures and processes have space built in to them for people to manoeuvre.
- Its design decisions about structures and processes are made with care, so that the implicit messages contained within them convey the right sort of messages about what counts and what does not – and about the values that are important to the organisation.
- Management checks and modifies its own behaviour, including how its members interact with each other and with people throughout the organisation, to ensure that appropriate symbolic messages are being sent.
- Management decisions similarly conform to the need to signal how people throughout the organisation are expected to act.
- People are encouraged to act freely within adequate thinking boundaries, wherever possible defined by themselves.
- Strategy is clear and very well known, but expressed in 'Roughly West' terms, to give people freedom to adapt their actions through its implementation.
- While the general strategic direction remains constant, people have the freedom to change course in the short term, rather like a sailing boat tacking, to handle short-term perturbations in the environment.
- Over time, wherever appropriate, these short-term tactical changes allow the strategic direction itself to be adapted.
- A process of unending discovery identifies those aspects of the organisation design that act as constraints on people and which limit performance, followed by management action to demolish them.
- This process of discovery includes the organisation's real values. If they are found to be inappropriate, a search for causes follows, as does an attack on the causes, (not an approach of exhortation), as the tactic to change them.
- Key change-positive influencers are identified and involved in the development of a change-enabled organisation, with gateway individuals highly involved.
- Part of the tactics for engaging with change-positive influencers is for them to work with management to convert influencers who are open minded towards change to become change-positive.
- Networks of key change-positive influencers are grown to achieve a tipping point in their volume and influence, to enable constant change and adaptation to become a way of life throughout the organisation.
- Open confrontation and processing of issues, across functional boundaries, is modelled by management. A search for learning and solutions is the underlying approach to all performance issues.
- People clearly understand of their roles and contributions, (that goes beyond a simple list of tasks

and responsibilities), and how they fit in to the achievement of corporate goals.

- Peoples' roles and contributions are updated as when there is a need, given changing organisational conditions.
- Role definition is driven by the individuals themselves, using a version of the bounded freedom model to help them expand their thinking and decisions.

All of which is easy enough to say, but something of a challenge to achieve.

First steps

There is no universal 'right way' to approach the development of a change-enabled, fit-for-purpose organisation, so none is offered. The reality is that however such a process of change is started, its ongoing path will emerge. The crucial element is that the goal stays constant.

As a universal truth, the very first step must be one of discovery. Take the check list above, and find out which of those characteristics is currently true. This can only be done effectively by getting amongst the people themselves, and engaging in dialogue with them. For this purpose, sitting down with people, in their own time and space, and asking open questions and listening is always more effective than paper-based surveys. Inviting and insisting on negative feedback about management decisions and practices is critical, and must be accompanied by positively accepting and processing that feedback. Defensive responses, (of the 'Yes but, you don't understand XXX' variety) will kill the process stone dead – immediately and possibly permanently.

Make sure that part of the discovery process targets the identification of key, change-positive influencers. Find the other influencers as well, and classify them as open-minded towards change or change-negative as well. Actively seek out and engage with gateway individuals.

Whatever is discovered, review it in open forum with sets of change-positive influencers – plus a selection of other influencers as well. Include representatives of management, and make sure that there is a good balance in the sessions. Agree priorities, actions and accountabilities. Ensure that there is enough credibility and power in accountable people to get things done.

As insights and actions develop, a key feature will be the engagement of increasingly large numbers of people. There is no such thing as a change-enabled, fit-for-purpose organisation where only senior managers are involved in that state. People's contributions to its achievement will vary, both in volume and value added. Those contributions will themselves vary over time. Whatever is achieved will need to be updated and topped up from time to time, always with a new step of discovery.

Management's role is that of enabler, facilitator and coach, not designer, commander and controller. Resourcing good, successful tries is important, as is celebrating good tries that do not quite make it. Developing an ongoing process of enquiry, analysis and learning, all translated into new actions is critical. Demonstrating this behaviour pattern and hence value is a critical contribution of management.

A key step will be to provide people with the opportunity to clarify their own roles and contributions. Use the bounded freedom model to facilitate this process. Make sure that whatever emerges from this process in terms of enabling changes needed, is actioned by management. Complete the feedback loops to the individuals who were the source of the ideas in the first place, so they know what is being done.

At which point we retreat behind another, more recent military observation - "If you go out to catch a tiger by the tail, you need a plan to deal with the teeth!"⁷ The teeth, on this occasion, might just be a whole load of people demanding more and constant change, including the way the business is managed. If that sounds frightening, maybe it would be a good idea not to get started. To the brave, it sounds almost as exciting as catching the tiger in the first place!

In any case, once the conditions for ongoing adaptation exist, management's main role is to get out of the way, so perhaps that might be regarded as a device for avoiding the tiger's teeth!

7 "He who rides a tiger is afraid to dismount – once a dangerous or troublesome venture is begun, the safest course is to carry it through to the end" ~ W Scarborough ~ 1875 ~ 'Collection of Chinese proverbs'

Appendix A - Values and Beliefs – a model

The development of the values and beliefs model started out as an attempt to understand and explain why frustration and anger are so common among employees in large organisations. In particular, it is not uncommon for people to be unable to express the reasons for their feelings, and this appeared to demand an explanation.

The model is offered as a possible explanation, and to stimulate discussion. It is not offered as a well researched and proven concept. See the last page of these notes for an illustration of the model.

General layout

There are four vertical zones across the model. These suggest various states of mind of people when thinking about or reacting to events and conditions while at work. Reading from left to right, the four states are:

- **Mainly sub-conscious** – This zone is concerned with the individual as a singular entity, starting out as a young person. The processing of thoughts and ideas by the individual is mainly not a conscious or overt act, but more deeply experienced. It will be difficult for many people fully to articulate what is going on in their thoughts.
- **Mainly conscious** – This zone is concerned with the individual at work in an organisation, and some of the interactions between the two entities. Individuals will mainly be able to articulate both their own thoughts and the messages they receive from their work environment, even although some of the implicit messages received may need some pause for reflection before they can be articulated.
- **Unconscious / uncontrolled OR conscious / controlled** – This zone is concerned with the individual 'doing things' while at work. This set is a mixture of what individuals can articulate about their actions – what they do and how they do it - and what they cannot articulate. There is also a mixture of the knowledge and skills that individuals can describe – and those that they cannot.
- **Overt or hidden - objective or subjective - felt or observed** – This zone is also concerned with the individual at work in an organisation, and deals with what is desired and the end result that is achieved. Both goals and experiences can operate in a variety of different states, and may or may not be analytically expressed.

Lines and their colours

- Blue lines indicate where one concept is a driver of another. Arrows indicate direction.
- Red lines indicate feedback loops. Arrows indicate direction. Small rectangles perpendicular to the line indicate a blockage or conflict.
- Black lines represent comparisons made, either consciously or sub-consciously, between different entities in the value system. Small rectangles perpendicular to the line indicate a conflict between two entities.

Mainly Sub-conscious

The word 'beliefs' is used to indicate those things in which we believe, whether or not they add up to a strongly held value. Ethics are less of a consideration than simple views about 'how the world is' and 'how the world should be'. These may be innate to the individual, and / or inherited from immediate family, extended family and friends. There may be an element of intentionality in the outcome of interventions by family in the development of certain beliefs.

There are also those beliefs that are developed by external agents, be they other individuals or agencies of the state. These are often the result of an act of intentionality, but will also include lessons learned that the

lesson-giver did not intend to happen.

There are likely to be some conflicts within either or both of these two sets of beliefs, (not shown in the model), and between the two sets.

The outcome of the development of the individual is a complex set of acquired beliefs, complete with all the internal conflicts within that set.

Mainly Conscious

With maturity of the individual, beliefs commonly also mature into a set of held ethical values. As a generality, these are stronger than simple beliefs, and may be articulated with some strength of feeling. They are very much focused on how the world should be, rather than as it is.

When the individual goes to work, they experience a complex new set of values – sometimes referred to as the organisation's cultural norms. These comprise two sub-sets. The first set is the values espoused by the organisation. Typically, these are talked about during induction sessions and at staff meetings. They may also be expressed by posters on the wall, and their electronic equivalent. Senior managers sometime express these hopes about employees' values via video broadcasts, presentations, PR messages and even the annual report. Employees are, by these various means, exhorted to conform to the required cultural norms.

There is, however, another set of cultural norms. This is the real set, that no one in management talks about. They are communicated implicitly via symbolic messages contained in three main sources. These are the design of formal organisation structures; the design of formal organisation processes; and the behaviour of senior managers – what they do and how they do it.

There are occasionally conflicts within the set of espoused cultural norms. There are frequent conflicts within the set of real, implicitly communicated, cultural norms. Most frequently, there are conflicts between the two sets.

Finally, and this is where problems start to emerge, commonly there are conflicts between both sets and the held ethical values of the individual.

Unconscious / uncontrolled OR conscious / controlled

Here the individual starts to act as part of performing in their job. This is represented by the light orange box in the model.

The behaviour of the individual is a complex outcome of a complex set of inputs. Three of the drivers of that behaviour are the individual's held, ethical values, together with the two sets of cultural norms of the organisation. This set of drivers comes complete with all its intra-group and inter-group conflicts. (This set is sourced in the previous zone in the model).

Another driver is the knowledge and skills of the individual.

The final set of drivers of behaviour is the goals, aspirations and expectations of the individual. This is itself a complex driver, since it comprises both hoped for and expected immediate results from the action about to be taken, as well as the longer term consequences that are likely to follow in its wake. (This driver is located in the last zone in the model).

This all adds to up the fact that what the individual does and how they do it is a highly complex outcome of a complex set of inputs, many of which cannot even be articulated by the individual.

Overt or hidden - objective or subjective - felt or observed

This involves the new set of experiences generated as a result of what the individual actually does. There are five feedback loops. The first and simplest is the direct learning loop. This represents the process by which individuals test the results of their actions against what was intended, and modify their future

behaviour in an attempt to close any gap. No differentiation is made here between single, double or even triple loop learning. These all involve a cognitive processes, and the model is more concerned with feelings.

The next feedback loop involves a check of the outcomes of the action(s) compared with the goals, expectations and aspirations that were part of the original driver. Do the results suggest that the individual is getting to where they wished? There is commonly a difference between what was intended and what was achieved. This may result in a modification of the goals, aspirations or expectations, or it may result in a modification of future actions, or both.

The next feedback loop checks the emotional experience of the results against the held ethical beliefs of the individual in a highly pragmatical way. This is all about the acceptability of the results, when set against the values of the individual. If they check out OK, then the individual can live with that, and the behaviour pattern will be repeated. If the results do not check out OK, then the behaviour pattern will change in the future.

The fourth feedback loop performs the same check, but this time it is more about how the individual feels, when testing the results against their ethical beliefs. If the results check out OK, then the individual feels good - "I feel OK". If the results do not check out well, then the individual does not feel good - "I do not feel OK". The key is that this feedback loop is always a conscious check of the sense of what was achieved, and whatever feelings arise are explicable by the individual – the loop and the analysis arising is a conscious act.

The final feedback loop is subject to less rational analysis. It is impacted by the prejudices held by the individual about the nature of the world in general; about organisation systems, explicit and implicit; about the way that management and individual managers behave; about the constraints that are imposed on people and that impact the actual results they are capable of achieving. Frequently, there is a set of cultural norms and assumptions operating within the mind of the individual which colour their perceptions of events and the results they achieve.

Because of this, the process of, (more or less), logical and objective analysis described above breaks down, and there is no clear trail between how the person feels and the causes of those feelings. There is a block in the logic train.

At this point, the individual will either feel good about what was achieved – "I feel OK" or not - "I do not feel OK". The key is that the individual will not consciously know why that feeling has arisen and will, therefore, not be able to articulate any explanation.

Application

There are two key lessons that arise from this review of the model and the way it works. The first is that when individuals are not highly motivated about their jobs and highly engaged with the organisation and its business, there may be a simple explanation or there may not. Critically, it will not always be sufficient to try to enquire about the causes of disaffection using simplistic models of 'employee motivation'. Neither will any simple avenue of enquiry be likely to render an adequate explanation. A more subtle approach will be needed, and a suitable route to follow could well be the MT OrgScan.

The second key lesson is that the drivers of 'employee behaviour' are themselves highly complex and variable between individuals – we all have very different history and experiences which add up to our unique set of held ethical values. This means that all simplistic management models for interacting with and managing employees are likely to fail. This would include, for example, the assumption that all that is necessary is to offer financial incentives, and performance will improve.

An appropriate model might be the MT SMRRF model, which describes the way that individuals and groups interact with soft organisation systems, that drive their behaviour and hence performance.

