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# PROVOKING

## Organizational Change: *Using the Five Behaviors of Network Management*

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CHANGING A TRADITIONAL organizational structure into a more fluid, project- and resource- responsive Network Culture can significantly enhance performance and profitability. But making this dramatic shift in the way people work and communicate can be difficult and disruptive. William Daniels and John Mathers outline a five-step process they have successfully used to help businesses transform themselves into organizations that continuously and effectively redesign themselves in response to new challenges.

*by William R. Daniels and John G. Mathers*

**Culture is not easy** to change. It consists of deeply held assumptions, values, and norms, most of which operate unconsciously. It is a set of ready-made solutions to frequently confronted survival problems. All we can easily see, touch, and observe are at the outer ring of the culture's self-expression. These are its artifacts. They are the products and habitual behaviors by which the culture perpetuates itself

Our method for altering culture is behavioral. We do not attempt to alter organizational cultures by examining all their basic assumptions and values. We just go to the place where organizations are most likely to act out their culture – Regular Meetings – and introduce the artifacts of Network Culture. Essentially, we ask the organization to start acting like a network organization whether or not its culture is compatible.

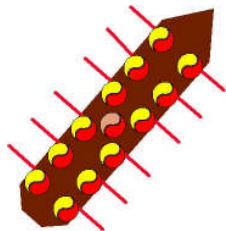
Confronted with the superior convenience and results that come from the use of an alien culture's artifacts, the invaded culture questions itself at both its conscious and unconscious levels of operation. For example, the movie *The Gods Must Be Crazy* shows how an empty coke bottle dropped from a plane flying over the Kalahari desert stimulates dramatic change in the tribe below. The members of the band discover interesting uses for the unfamiliar object. Soon everything is put at risk. The fundamental assumptions governing their relationships with each other are transformed by their experience with this strange new artifact.

## We invade an organization's culture with five artifacts of Network Culture:

1. *Linked Teams*. Network Culture is represented as a hierarchy of linked groups with cross-functional structures. This image, with its peculiar amoeba-like shapes, is enough to provoke intense discussion in any group of managers.
2. *Performance Plans*. The plans consist of a ninety second talk and a half-page written document. Managers are shocked at the power with which such an artifact instantly invites role negotiation, alliances, and overt conflict about purposes and resources.
3. *Work Review*. Regular peer/team reviews give a four-minute graphic display of how current performance stands in relationship to the results stated in the Performance Plan. The format empowers others to evaluate the performance, and invites them to suggest corrective action or to form alliances around surprise successes.
4. *Decisive Regular Meetings*. The process of consultation must lead to decisive action, and regular meetings are the foundation of a strong, vital culture. When the leader begins to show evidence of real learning during consultative decision-making, most managers gain the intelligent empowerment that flows from the skilled use of this artifact.
5. *Breakthrough Systems* for individual contributors. Each worker is clear about expected performance results, has continuous and reliable performance feedback, and is in control of the resources necessary to meet expectations. As soon as managers create Breakthrough Systems, they get significant leaps in productivity (as much as 30%) and rapid improvements in employee morale and creativity; Attitudes about roles and authority change quickly.

## The Sea-Going Canoe as a Metaphor for Network Culture

In Network Culture, the five artifacts knit together a system of continuous planning, disagreement, commitment, performance feedback, and re-evaluation – a system that swiftly; efficiently, and strategically allocates all of its resources. The consistently demonstrated result is an organization that can sustain better than 20% growth in profitability for at least five consecutive years.



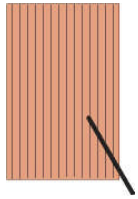
Network Culture is like a sea-going canoe. The sea-going canoe is a deceptively simple, yet swift and efficient water craft. Everyone sits facing forward in the canoe and everyone can judge the boat's progress. While paddling, everyone chatters to make sure all perceptions of performance are taken into account and all necessary adjustments are made immediately. The paddlers manage both themselves and each other to assure a successful journey for the whole boat.

The leader may stand among them with a slightly wider view toward the horizon. But the leader's perspective is only one of many, and is richly enhanced by attention to the chatter of paddlers. European explorers couldn't believe their eyes when Polynesian armies with thousands of warriors appeared on the horizon, Came ashore, and began organized combat within twenty or thirty minutes!

## Invading the Raft

Sometimes, when we introduce the artifacts of Network Culture, we find we are invading a raft. Rafts work best on slow moving currents or in still, shallow waters. The currents in their watery

environment provide the chief source of mobility. Passengers operate from the assumption that they are dependents and victims of these currents. They use poles to exert what little influence they can – essentially to defend themselves from running aground or colliding with debris or other rafts in the same current.



If there is work for the passengers to do, it is protecting the cargo. Status is achieved in proportion to the amount of cargo your raft can transport and by how much of that cargo is under your individual protection. More is always better. If you are not competing for status aboard the raft, you just try to look busy with the rigging and tarps, while actually enjoying the ride.

For passengers on the raft, the artifacts of the sea-going canoe are truly artifacts from another world. The raft passengers see planning as a program that doesn't change much from cycle to cycle. Each plan is just a percentage adjustment of the previous one, with frequent references to how the uncertainties of prevailing currents limit the validity of the entire document. It is elaborate in detail, format, and graphics; and its final approval as a document is received with a sigh of relief. Their next reference to the plan will be at the end of the cycle, when it is time to write the annual report. Since the plans don't change much, neither do the annual reports.

Meetings are occasionally held, often in the form of "all hands" meetings to meet the incessant demands for better communication. There may be a few vital announcements, but most of the information is stale. It is actually no more than a ritual, in which the intent to inform only makes it clear that passengers on the raft are not expected to exert any real influence.

Work Review is a very rare thing. The boss writes an annual evaluation of each subordinate, often a perfunctory process with little discussion. On the raft, if no one talks to you about your work, the silence means you're OK. Only poor performers get more frequent feedback, and it is often politely ambiguous.

If the above-described conditions seem familiar, it's because rafts are classic bureaucracy. They still float in much of the Third World and in the public-administration sectors of industrial economies – wherever organizations are protected from competition.

It initially seems absurd to suggest that the raft be managed by a system of Linked Teams, Performance Plans, and Work Reviews. The artifacts of the sea-going canoe imply the ability and necessity of directing your own movement, and suggest going into deeper and swifter waters. With a little experience, passengers realize that paddling does alter the course of the raft more easily than the poles they've been using. But the bulky raft still causes a lot of frustration. Soon the passengers either try to get off the raft into another kind of boat, or they begin clearing a space on deck to build a sea-going canoe. Sooner or later, they start re-engineering the raft.

## Invading the Fleet of Dories

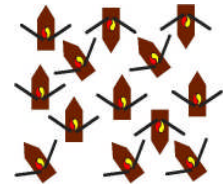
Just as rafts were an early form of water craft, so bureaucracy was the first expression of large-scale organization. From the beginning, the cumbersome, current-bound raft has been intolerable to some. Instead they desert, to take up independence in the dory – a small craft with the capacity to carry a cargo (usually fish), which is propelled by a single rower.



Dory construction uses leveraged oars that require the rower to face the rear of the dory rower boat, while propelling it forward. Navigation is precarious. You have to look over a shoulder frequently to see where you are going, and to make sure you don't run into some obstacle. It's not perfect, but it feels free compared to a raft.

Passengers on the raft have always recognized, with some fear and envy, a dependence upon these loners. Through their mobility, dory rowers scout ahead on the river, bring emergency supplies from ashore, and, in general, are helpful to survival aboard the raft. But they are known to be fundamentally incompatible with life aboard the raft. Passengers appreciate their services, but are always relieved when they shove off.

The dory rower is our metaphor for the professional – doctors, lawyers, consultants, staff experts, and knowledge workers. Classic bureaucracy has never been able to control professional performance with its set of rules, procedures, and standards. Professionals work on a series of unique, complex problems. They must study for a long time to be competent at the two phases of their work: diagnosis and prescription. No one but the professional will know what should be done until the problem's special configuration of variables is diagnosed. The appropriate solution must be as unique as the problem.



When we take the artifacts of the sea-going canoe to a dory; the individual is mystified. Since professionals work alone, a hierarchy of linked groups seems irrelevant. If the canoe is misidentified as a form of raft, the whole idea seems repulsive. How is planning possible? And why should they report to anyone? What good is telling what they've done, if it has little or no relevance to the next case they handle? Breakthrough Systems also seem impossible. The only expectation that matters is a general purpose; e.g., "do what will alleviate pain and prolong life." The only feedback that matters is a client satisfied enough to pay the bill. Because the primary resource for the work is the professional's individual competence, resources always feel under control. Often the inherent limits of competence go unacknowledged.

Just as the dory metaphor suggests, however, professionals are limited by the extent of their own competence, time, and energy. Marketing, sales, billing, collection, accounting, correspondence, and filing compete for their time. To leverage their resources, professionals need to share the costs of these services with other professionals. This minimal kind of cooperation leads to what we call a "fleet of dories." Rarely will a professional member of the fleet manage the support services; that is usually outside the motivation, aptitude, or self esteem of the professionals. But they are quick to find fault with those they ask to manage for them, and are often ferociously jealous about their allocation of the common resources. Since the forces of disintegration usually win over the forces of attraction, professional businesses are a constant swirl of imploding and exploding stars.

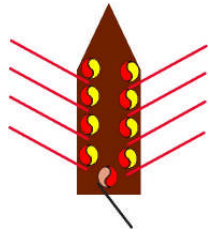
If the fleet holds a meeting, it is like a regatta in the fog. They row near enough to compare their dories, while chanting and singing little ditties to keep from running into each other. It is a colorful form of nominal group work, but it is a group in name only. Their espoused purpose for meeting is coordination, but in fact they meet to make sure they don't need each other – to confirm their autonomy.

Encountering the artifacts of the sea-going canoe eventually causes dory people to climb aboard a common craft. The advantages of networking – for acquisition of new tools (information technology), for professional development, for efficient management of shared resources, and for revenue generation – keep them in the canoe. They discover that Network Culture can provide the balance of autonomy and interdependence that is appropriate for their kind of work.

## Invading the Galley

When it comes to confronting other cultures, our most frequent experience by far is the confrontation with the galley – a great big boat in which many people power the oars, stroking to a rhythm determined by a leader. Hands on the rudder, the leader stands at the rear of the boat on a

raised platform. The only eyes that face forward and the only mind assessing the actual status of the craft in its journey belong to the leader.



The galley is capable of navigating deep and rough waters, can carry significant amounts of cargo, and has great range. If the rowers can be kept in order, the galley can actually make turns and vary its speed with a flexibility that is beyond the wildest dreams of raft passengers. But fine-tuning of the galley's direction is always necessary: That's why the leader keeps his or her hand on the rudder. The rudder's drag corrects for the imbalance inherent in large-scale rowing, creating a tension between the work of the leader and the work of everyone else. The tension is increased by the fact that only the leader knows where the boat is going.

When you first show the Linked Teams Diagram to galley leaders, they don't see that it is any big deal. They believe that their structure is already operating in a system of regularly scheduled staff meetings. Furthermore, they've already recognized the problems of meetings – they take too long, accomplish too little, and are dreadfully boring. They believe they are already addressing these problems through training programs about teamwork. A quick audit usually reveals that less than 30% of all regularly scheduled staff meetings actually occur. The consequence is that much of the communication on the galley is similar to the raft, i.e., classic bureaucracy.

Galley leaders and rowers also respond to the Performance Plan artifact with confused apathy. Everyone already claims to have a plan that is systematically linked from top to bottom, and they have the documentation to prove it, with elaborate lists and charts.

If you ask people to pick out their part of the plan, turn it face down, and tell it to you from memory, most of them cannot do it. They only consult these documents occasionally; in monthly or quarterly ceremonies. From day to day; their minds are focused on quite different issues. When they wed their espoused plans and actual concerns in the Performance Plan, they are first startled by the confusion and covert conflict that is driven into the open. But eventually they get hooked on the energy released in themselves and their fellow rowers by this act of integration.

Galley people also do Work Reviews faithfully every quarter. The presentations manifest a lot of preparation and razzle-dazzle, partly because the audience is hard to keep awake. You are expected to pull your oar as hard as possible: get agreement to *your* goals, grab control of the necessary resources, and pull away: If others have trouble pulling their oars, that's between them and the leader. (Suggestions are seen as out-of-line or as showboating.) If the boat goes in circles because you continue pulling when others tire, that's not your problem either. Poor integration of the rowing is the leader's fault.

So Work Reviews are a time for rowers to show the boss just how well they have been rowing and to prove they are not at fault for any of the organization's problems. The leader is the only part of the audience that really matters and the ceremony is usually a series of dialogues between the leader and the presenters.

There are some other meetings in the galley that are much more significant. Meetings about budgets or compensation are well attended and often lively. Delivery of such important and meaningful data often sparks intricate and detailed argument, even passionate advocacy: Isn't this the same as the rational group-decision-making process in the sea-going canoe? Here, by contrast, the underlying dynamic is the competition for organizational resources, which is the central and unavoidable issue of every organization's politics.

In the Galley, the discussion *is* made to appear rational. The leader will make all the moves necessary to gloss over the process as consensus-seeking, but resolutions are actually achieved by

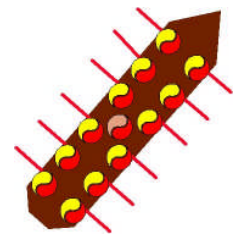
voting (in our opinion, the classic irrational decision-making process). The discussion is just a last-minute confirmation of alliances in a process that is pure power play.

The leader conducts the discussion long enough to be sure he or she understands how the votes add up. This takes some sophistication because there is an informal, but very real, weighted system of voting; some members have many more votes than others. The powers-that-be (often old timers with great longevity in the galley) usually form the core of the winning alliance; and the others are run over as politely as possible. In the galley; consensus means something like this:

"Since we gave you a chance to talk, you should be quiet now while we run over you, and you should show loyalty and commitment hereafter by remaining silent about this issue."

When we get down to the bottom of the galley's hierarchy, individual performance almost always looks like a fleet of dories. The channels of communication in the hierarchy are clogged with distorted information, so performance expectations arrive in very fuzzy form. Employees make up their own standards of performance, carve out and defend their autonomous domains of expertise, and try to stay out of the way of the politics and ego games being played by their leaders. They manage themselves and each other with large doses of punishment and negative feedback, and make the lower decks of the galley reek with frustration and distress.

As the artifacts of the sea-going canoe drive the rowers into discussion about the business, all this becomes uncomfortably apparent. One by one, the rowers start looking over their shoulders, trying to see where the galley is going--sometimes at risk of being punished. As more people become aware, and inform their leaders with straight talk, it becomes apparent that a serious redesign is necessary. Everyone needs to be facing forward, and everyone must share accountability with their leader for steering the boat in the right direction.



Initially, and for some time after, this has nothing to do with restructuring. Reporting relationships remain the same, but their focus changes. First and foremost, everyone takes on an added role of accountability for the team's (leader's) Performance Plan. This fundamental change in the complexity of roles is facilitated by the simplicity of the Performance Plans. Each rower is able to memorize the leader's plan, his or her own plan, and the plans of other rowers with whom they must become partners.

Rowers start talking to each other about how the rowing is going. Goals and priorities are the constant issue. Work Reviews become the forum for resolution. It is necessary to hold such meetings more frequently and efficiently. Staff meetings come back to life, with Work Reviews as the central agenda. These Regular Meetings become the centers of decision-making. Attendance and attention rise. The old Work Review ceremony begins to fade.

The fundamental change taking place is not restructuring; you can only see it in the behavior of the galley's Regular Meetings. Their agendas change. There's no time for mere information-sharing; there are too many decisions to be made. Rowers start questioning the validity of each other's Work Review. Knowing what is actually done is critical to everyone. Each rower begins to notice how distorted and incomplete that information is. They all discover that to validate the information in Work Reviews, Breakthrough Systems have to be implemented. Only with Breakthrough Systems can individual contributors accurately inform the system about accomplishments and resource needs.

Soon small but real successes are discovered. The possibilities of linking these successes and nurturing them with re-allocated resources pull the rowers closer together. As the season of planning and budgeting approaches, the agendas get much more strategic and radical. Genuine re-

engineering becomes a possibility. Rowers and leaders want to tear down the platforms, decks, and gunwales of the galley and reshape the materials into a sea-going canoe.

## Summary

Organizational cultures are very complex. Our experience over the last 23 years with corporate leaders like Intel, Motorola, and Levi Strauss & Co. leads us to believe that an effort to change culture by first conducting an analysis would be very time-consuming at least, if not impossible. Furthermore, it seems to us that such analysis is not necessary to provoke useful change. By invading the culture with the artifacts of a more effective one, the members of the invaded culture soon discover the advantages of the new images, tools, and behaviors. These discoveries challenge the culture's basic assumptions about what is necessary for survival. To secure the advantages of the strange new artifacts, the culture's basic assumptions are altered.

This process of alteration may be characterized by a lot of deep discomfort. In the meantime, the artifacts continue to yield their advantages for survival. Once the culture and the artifacts become consistent, discomfort diminishes, skilled use of the artifacts rises, and the energies of the community find efficient and effective focus.

When the culture adapts to the artifacts of Network Culture and employs the Linked Teams Diagram, Performance Plans, Work Reviews, Decisive Regular Meetings, and Breakthrough Systems, the result is a course of development away from the bulky raft, the contentious and weak fleet of dories, and the zigzagging and distressful galley. A sea-going canoe emerges – swift, highly maneuverable – efficiently using all of its resources, especially the minds of all its paddlers. .

## Suggested Readings

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