

The Human Organization

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The Human Organization is a response to the network morphology. As networks supersede hierarchy as the predominant form of organization, fluid processes and flexible teams need to replace fixed reporting lines and familiar functions. The barriers to achieving this are more often cultural and emotional than they are commercial and technological. This paper proposes that effective knowledge-based businesses will be built on human network connections. This requires much greater investment in social processes of integration and in our individual ability to connect with each other. Without this human agenda, the openness and learning on which the generative knowledge-based environment depends will remain beyond our reach, together with our ability to work and transfer knowledge across complex and shifting organizational boundaries.

WHAT IS THE HUMAN ORGANIZATION?

Michael Ondaatje's 1992, Booker Prize winning novel, *The English Patient*, popularized by the Oscar winning film of the same name, is at one level a story about the desert. It is a story about place, about geography, about that which is physical and tangible: namely about that which can be readily charted and mapped. It is also a story about people, about imagination and memory, about growth and relationships, about experience and sharing: namely about how we are who we are through our collisions and connections with each other.

Against a backcloth of the mounting tensions and complexities of the Second World War, the central character of the novel, Almsy, who becomes known as the English patient, is on a cartographic expedition in the African desert for the National Geographical Society. As the novel unfolds, Almsy remembers his own life through the entanglements formed during his desert experience.

"We die containing a richness of lovers and tribes, tastes we have swallowed, bodies we have plunged into and swum up as if rivers of wisdom, characters we have climbed into as if trees, fears we have hidden in as if in caves. I wish for all this to be marked on my body when I am dead. I believe in such cartography – to be marked by nature, not just to label ourselves on a map like the names of rich men and women on buildings. We are communal histories, communal books. We are not owned or monogamous in our taste or experience. All I desired was to walk upon such an earth that had no maps."^[1]

In 1928, the surrealist artist, Rene Magritte, painted a picture entitled 'Treason of Images', now exhibited in the Los Angeles Museum of County Art. The phrase *Ceci n'est pas une pipe*, is written across the canvas making the literal and challenging point that a painting is a painting: it is not what it represents. This play between picture and reality forces us to see beyond what is reflected, to see the gap between image and object.

What resonates in the insights of both Ondaatje and Magritte, is echoed in the idea of the Human Organization. Just as the picture of the thing is not the thing, so strategy, structure and systems are not organization. At the close of this century of change, brainpower has moved centre stage. We must now build a new type of organization; the foundations of which are people. From being inflexible and mechanical the organization must be reconfigured as flexible and human. As Geoffrey Colvin, Executive Director of *Fortune* magazine recently said: "It helps to think of business today as going through a humanist revolution. The change is from the physical to the intellectual and from the mechanical to the human."^[2]

RE-FRAMING ORGANIZATIONS

The classic view of organization, expressed by Alfred Chandler and Peter Drucker, is that structure follows strategy. This has led to the over-simplistic view that organizations create structure simply to co-ordinate activities and to regulate the actions of people. A more contemporary view expresses the

MANAGING CHANGE AT MONSANTO

In 1986, the acquisition of G. D. Searle by the Monsanto chemical group signalled a change in direction. Its future lay in biotechnological derived products and human health care. The specialty chemicals plastics and fibres produced by the Chemical Group, which had been the core business were suddenly peripheral – its main role now was to generate cash through an ambitious target of achieving a Return on Equity (ROE) of 20%.

The staff found the situation bewildering and the Human Resources Group responded to this challenge by generating a new approach to managing people: an approach founded on three radical principles:

1. Employee performance cannot be managed, people have to be liberated and empowered to perform.
2. We rely on knowledge workers – developing them is the only viable strategy.
3. We should manage the context in which performance occurs, rather than performance *per se*.

At the core was a new strategy for managing people, based less on control and more on development. This focused on building and enhancing the skills most critical to developing the core competency of the organization as well as the individuals in it. At the same time it distributed responsibilities and changed working relationships.

A competency model has provided a common language, and has anchored these discussions in a developmental framework. It has enabled people to converse around the specific combination of knowledge, skills and behaviours that they needed to bring to bear on a *particular assignment*.

The same framework allowed people to: self-assess their performance against the agreed profile; receive and act on 360 degree feedback about their performance; plan and assess development; and set objectives for continual coaching.

Each individual became the chief architect and owner of their career development and performance enhancement plan. The role of the supervisor has changed – they now act as sponsor and coach, removing barriers and providing resources and supports where required. As a result the onus for development has been shifted from the line manager to the individual involved.

relationship between strategy and structure as much more inter-related. Tom Peters extends this to the extreme when he says structure determines rather than follows strategy. In this, the organization's architecture is part of the capability, integral to the strategic response.

In the Human Organization, this inverted relationship between strategy and structure is stretched even further. People are themselves considered as a part of the organization's overall capability. Knowledge-based competition means that people are the crucial differentiators in business success. The human mind is the key productive force in the new economics of ideas. Individually and collectively peoples' skills, know-how, ideas and the subtler array of human talents, form the organization's finite elements which can be grouped together, clustered and managed to deliver poor, mediocre or exceptional results.

"It's important for us to keep in mind that we are the organization. It is us. We are its brains. Its energy. We represent its only ability to cope with change, its only chance to compete in today's tough marketplace. We are the people who make sure it satisfies today's customers. And we are the ones who prepare it to measure up for tomorrow."^[3]

In the Human Organization we have moved beyond the image. But what can we identify as the thing itself?

NETWORKS – THE EARTH WITH NO MAPS

We have experienced more than a decade of corporate delayering, streamlining activities and removing the energy-sapping effects of top-heavy management. Better work processes and information systems mean that companies are producing more with less direct labour. But there is now widespread recognition that many of the corporate restructuring and re-engineering activities of the last decade have failed to deliver intended benefits. In numerous cases long-term value, frequently hidden in relationships and tacit knowledge, has been destroyed.

In the closing years of this century we are seeking to recreate some of the value that the last decade destroyed. In the move from survive to thrive growth, sustainability, long-term investment and stakeholder value are all being rescued from the flames of the re-engineering fire. In resuscitating what was lost we, of necessity, rediscover ourselves.

"I have lived in the desert for years and I have come to believe in such things. It is a place of pockets. The *trompe l'oeil* of time and water. The jackal with one

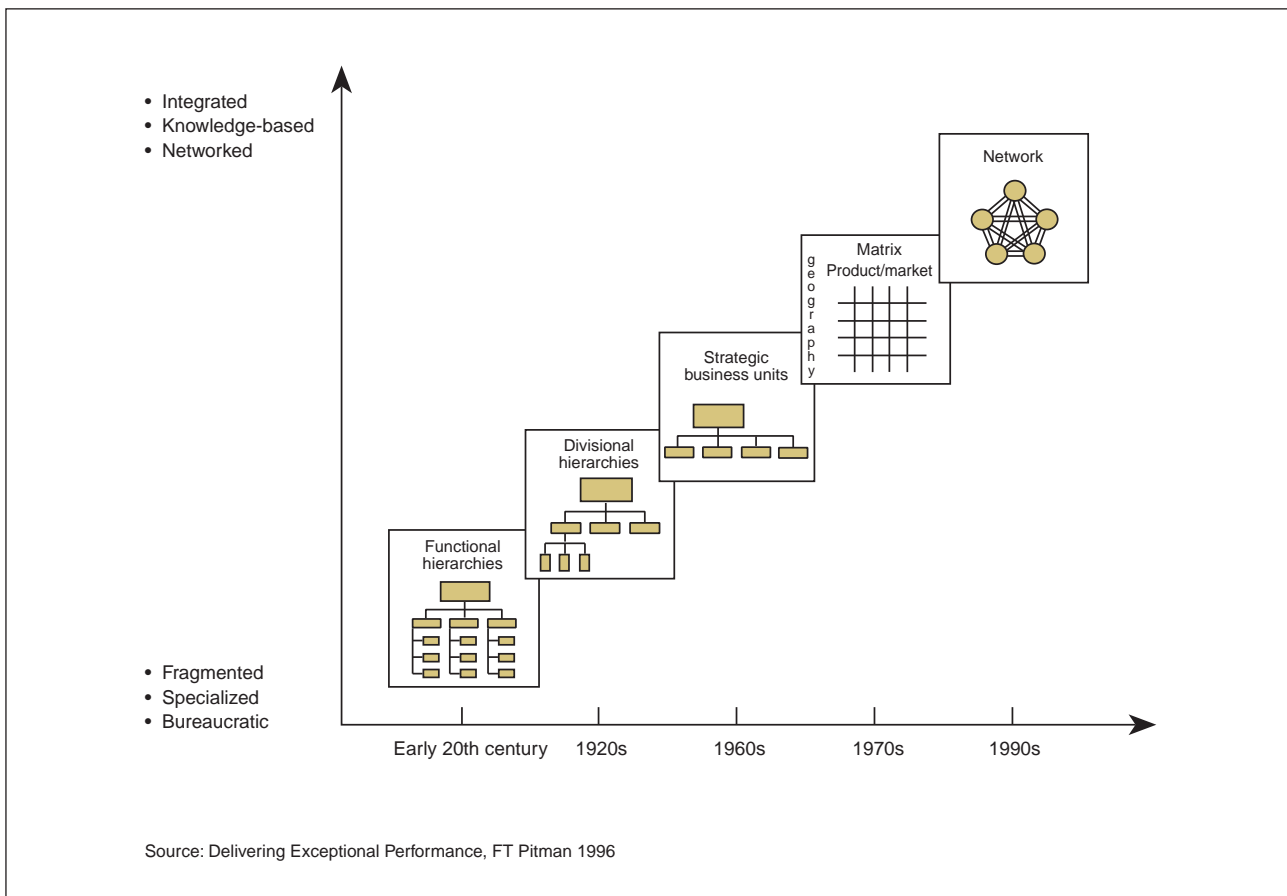


Figure 1: An historical perspective on organizational design

eye that looks back and one that regards the path you consider taking. In his jaws are pieces of the past he delivers to you, and when all of that time is fully discovered it will prove to have been already known.”^[4]

Networked organizations are emerging because the classic hierarchy of the bureaucratic model is slow to respond. By design, the hierarchy is a fixed rather than flexible architecture. Like the boundaries of countries and continents on maps, hierarchies are well-charted territories behind which individuals can hide. Steep functional hierarchies actively promote cultures of distrust, ‘not invented here’ thinking and the acceptance of minimal accountabilities by giving people safe boxes from which to declare ‘not my problem’. Organization flattening barely treats the symptoms – it takes an understanding of the relationships between people to really redefine functions and processes in the organization.

Networks, however, are not easily constrained or explained. The idea of the networked organization is of an organization almost without structure. Dynamic processes and fluid teams replace rigid organizational lines. In the network, activities still need to be co-ordinated and integrated, but this

integration relies on knowledge and relationships and a clear common sense of purpose. This has led to ideas about “work as a network of conversations”^[5] and the “hypertext organization made up of interconnected layers or contexts: the business system, the project team and the knowledge base.”^[6]

“We’re moving away from an environment where people who speak have to know all the answers. Our success is more likely to depend on the quality of our conversations than on any other single factor. If we wait for the connections to be tidy, clear, and well understood – someone else will be doing it.”^[7]

Shifting from rectangles and lines to circles and nets in a drawing feels messy. Intellectually and emotionally, it is even harder to accept the changes this implies. Giving up the comfort of known job boundaries and established reporting relationships is hard. This has been the experience at many companies, including ABB Capacitors. With a new management structure implemented in 1994, the previously autocratic style was changed to a more participative one. Employees were encouraged to come with solutions rather than just passing the problem on to their manager. This took time to achieve by building up confidence and changing

DIALOGUE IN DURSLEY

Bonnie Dean is an unexpected person in an unexpected place. She is a Californian with big company experience who has taken on the tough challenge of transforming a much smaller organization in Dursley, Gloucestershire, UK. As CEO of Lister Petter, the world's seventh largest diesel engine manufacturer, Bonnie has undertaken a business transformation following Lister Petter's sale from BTR and acquisition by Schroder Ventures.

The challenge is to create a competitive capability to capture niche markets. To actively engage people across the business in the process of change, Bonnie and her team decided to focus on key individuals and to build more open teams by developing their ability to engage in dialogue and to make collaborative decisions. In addition, they have worked to build a collaborative approach to innovation and creativity by encouraging curiosity, experimentation and learning.

One way of talking about how these changes have been affecting the people at Lister Petter has been to run workshops built on a dialogue-based approach. Bonnie Dean comments: "We are not trying to win in a Dialogue, we all win if we are doing it right. From our workshops individuals have learned to be more open to listening to their colleagues than was the case in our day-to-day business meetings."

(See section on 'Learning to Work in the Human Organization'.)

attitudes. Even within ABB some managers still say, "The matrix isn't working." But the matrix, like the map, is another image. In the Human Organization, when the matrix isn't working it can only be because of you and me. It can feel, as Lily Tomlin once said, as though, "We are all in this alone." Yet only by getting together can we hope to work things out.

KALEIDOSCOPE OF RELATIONSHIPS

Some organizations are already beginning to think along these lines. They are beginning to define themselves in terms of a "constantly changing kaleidoscope of relationships between people."^[8] They recognize that their organizations are made up of multiple, small units and they are now experimenting with networking strategies to create intense interdependence among these small units.

In this new environment, projects are becoming the way to deliver work and results. Success is seen to depend on the organization's ability to assemble the right resources and to deploy them effectively.

In a world where speed, flexibility and innovation are crucial, the organizations that survive will be those which rewrite the rules of teaming. At Lucas Diesel Systems, for example, the approach is to maintain small core teams and to use specialist expertise only when required. The pool of specialist talent is no longer 'owned' and can help a number of teams simultaneously. The core teams ensure project and process continuity and its members are responsible for providing focus for temporary team members.

At National and Provincial Building Society all activities have been re-organized around key business processes and layers of management have been reduced. People identify with process teams and competency groups rather than managers and departments. Managers, referred to as team leaders, have become coaches and facilitators.

The culture and processes of teaming need to permeate all levels of the organization – from the very bottom to those at the very top. Paul Allaire, CEO of Xerox, describes the challenge he faces: "Now, for the first time, you must have a team at the top. We always *talked* teams, but today they really are necessary to make company-wide processes work."^[9]

This theme is echoed by a recent study of 550 American, European and Japanese companies, surveyed to identify the characteristics and capabilities that differentiated the companies that innovate faster and more successfully than their competitors.^[10]

"We discovered that none of the best known programmes – total quality management, re-engineering, the formation of self-managing teams, or the institution of cross-functional processes – are enough... Success depends on the willingness and ability of the entire senior executive group to address not just their individual functional or divisional responsibilities, but also their collective responsibility for the company as a whole."

Why is it so difficult for senior managers to function effectively as a team? "Besides holding divergent views of the business, top-level managers also have real conflicts of interest. However much they may need to co-operate, they also *compete* with one another – for resources, for recognition and ultimately for the top job... Acutely aware of the potential for head-to-head conflict, they protect their own turf and avoid

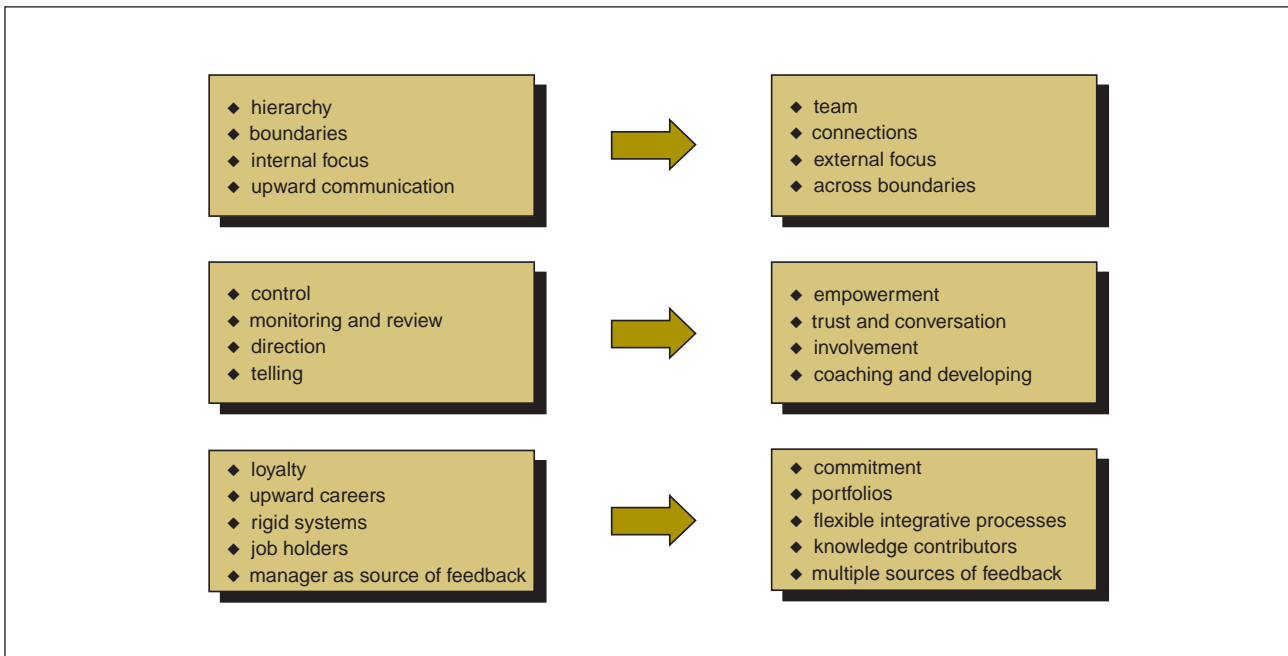


Figure 2: Transition to the Human Organization

attacking anyone's sacred cows. The result: major issues are left unaddressed."

Yet, a culture of networking and teaming fully takes hold when those at the top of the organization embrace it for themselves.

SHIFTING SANDS

Shifting to the Human Organization takes time. It requires deep adjustments in our thinking, highlighted by the changes indicated in Figure 2. The transition involves a shift in our principles about the best way to organize our work and ourselves. We are forced to reconsider the basis by which we manage others and ourselves. This in turn challenges basic assumptions about work and our relationship with the organization, shifting expectations about performance contribution and reward.

Creating the network structure of the Human Organization requires an emphasis on developing and influencing relationships, whether as individuals or teams. The first step is to abandon deep-rooted ideas about productivity, based on the division and sub-division of labour pioneered by Frederick W. Taylor, and to develop more open and fluid approaches – based on a deep understanding of the factors which affect the performance of the most talented of our people and how to unite these together in creative, collaborative constellations.

For many of us the idea of operating in network organizations and network teams is equivalent to

the cartographers shock on discovering an earth with no maps. Suddenly, the props we have come to lean on, whether as managers, specialists or professionals seem to have been entirely removed. How can people work without a clear organization chart? How can people be expected to perform without a clear boss directing and controlling what they do? How can I be successful when I am no longer the control point for all information, resources, actions and functional priorities, because they have been devolved throughout my team? How can people operate in more than one team? How can I be successful when knowledge, not position, is the basis for business decisions? These fundamental questions show up time and time again below the surface of the issues we keep hearing about and are evident in the examples below:

"Centralization and rationalization have resulted in major reorganization of roles, responsibilities and the structure of the organization. This has caused a major upheaval in the way people do their jobs, and the new organization in which they operate. How can I create a team atmosphere that will be self-sustaining to improve the overall performance of my department?"

Director of Purchasing, electronics company

"A major change has been the flattening of the hierarchical structure, giving rise to job enlargement, enrichment and empowerment. Yet as a result, people feel 'put upon'

and promotion prospects have been considerably lessened. What can I do to encourage and utilize team resources to produce better results?"

Technical Sales Manager, worldwide conglomerate

"My organization's style is to manage complex, often intangible tasks through multi-disciplinary teams. What are the ways of motivating and managing such teams, and the performance of individuals within the teams?"

Director of Commissioning, UK Local Health Authority

What can I do to ensure that multi-disciplinary teams work together without reverting to defending their department?"

Senior Manager, leading Argentinean bank

Pondering these apparent imponderables is now in the open arena. Given that there are no easy answers it is little wonder that, for many, it is the changing shape of organizations which looms most menacingly, like the desert storm which threatens to sweep over all familiar surfaces.

THE MIRAGE OF STRUCTURE

The demands of operating on a global stage in a knowledge-based milieu are forcing a reconstruction of our relationship to internal structures, however anxious or uneasy this makes us feel. This reconstruction is a necessary means to establishing the broader set of relationships with the external world on which future sustainability depends.

"In a post industrial milieu managers and workers face the sophisticated problem of creating permeable boundaries so that the needs and claims of people outside the organization can be understood, acknowledged and influenced without overwhelming the ability of people within the organization to accomplish their tasks."^[1]

Our disquiet about network organizations comes from this sense of shifting boundaries and the associated uncertainty and ambiguity. It is akin to the sense of slippage between image and object explored by Magritte. It comes as no surprise that one of his most famous works, a picture on an easel that entirely overlaps the view that the picture displays, is entitled 'The Human Condition'. It is not technology that threatens the transition to the Human Organization. The threats are cultural and psychological. Threats rooted in the dilemma of our personal and social frames of reference so masterfully parodied by Magritte.

We are reluctant to let go of the mirage of structure because behind the screen of the symbol nothing is certain. Images, symbols, frames, whatever terms we use to describe them, are the building blocks of social reality. Our frames support the personal and social equilibrium necessary for group cohesion and task performance. In order to stabilize task performance and preserve group cohesion we relate in ways which tend to confirm our frames as

DO YOU LIVE ON AN EARTH WITHOUT MAPS?

Which of the following statements ring most true to you?

- Hierarchy is for managing predictable events, it is not adaptable to the need for rapid change.
- Breaking organizations into departments overly fragments the diversity and clusters of competence needed to develop solutions to complex business problems.
- Management behaviour must change, relying more on collaboration than control.
- Low formalization of structure gives freedom and enables creativity.
- People can manage their own performance through autonomy and feedback from colleagues, customers and others.
- Information systems will remove the need for formal, narrow communication channels.

or

- Winning in global markets demands the resources and management only to be found in larger stable organizations.
- People like security and predictability and to know which manager to look to.
- Managers must control performance otherwise projects go off the rails.
- Information systems are oversold, networks are a remote ideal.
- Structure reduces ambiguity and the chance of things going wrong.^[1]

[1] Jones, P., Palmer, J. *et al.*, *Delivering Exceptional Performance*, Pitman Publishing, London, 1996.

BOLD SHARING AT ST. LUKE'S

St. Luke's is a bold experiment in collaboration and sharing. If you ask the people in St. Luke's about their purpose, they will tell you it is to create a different kind of company. A company that is its people.

St. Luke's is one of a new breed of knowledge businesses. Owned entirely by its employees and governed by an employee board called a Quest, it is challenging the very idea of what a company is for and how it is best constructed. Rather than a financial entity or organizational hierarchy, it is promoting the idea of a company as a community, bound by sets of relationships.

The business of St. Luke's is people – employees, customers and the wider community they serve. It is an impressive model of how employee ownership has combined with open management and teamworking to produce a highly innovative, knowledge-creating company.

The business is advertising – in a company that many describe as taking the advertising out of advertising. It turns almost every conventional assumption about the industry and about business on its head.

The opportunity to start afresh arose at the beginning of 1995, when Chiat Day, the London advertising agency renowned for its pioneering approach to physical workspace, sold out to Omnicom. To Andy Law, David Abraham and the rest of the creative team, it seemed outrageous that they had been bought and sold like 'chattels'. They persuaded the other employees and major client that they could go it alone and made an earn out deal with Omnicom.

Law is fascinated about how often he is asked why he effectively gave the company away, by setting up

as employee-owned, when he could have kept his equity and become a millionaire. He justifies the decision by asserting that you can't make money without using other people's sweat. "We wanted to create something more durable than a traditional advertising agency, something that isn't about ego and greed."

As Abraham says, "We wanted to take away that sense that the company was something else, some distant corporate entity. We were keen to avoid the barriers that get in the way of a company being based on the desires of people in it, not the other way around. We were desperate to get rid of boring, repetitive habits and mind numbing routine."

To remove barriers in the organization there are no desks so that everything can be shared and office space can be assigned to clients. These 'brand meeting rooms' are all individually decorated and themed. People work at large refectory style tables, and keep their belongings in personal lockers. As Andy Law says, "We still have to deliver results, but we do it by having a hierarchy of ideas, to which everyone is encouraged to contribute. If everyone owns the company, no one has a greater ability to claim their own ideas over others. Although Chairmen probably have more experience, they do not necessarily have better ideas."

Boldness and creativity has won St. Luke's many accolades. It was voted advertising company of 1997 by the trade publication *Campaign*. The purpose extends beyond its own boundary as St. Luke's encourages clients to take a broader view of their social role as a way of unlocking hidden brand value.

exclusive; the only possible reality. What disturbs us about Magritte is his 'in your face' way of exposing this illusion. *Ceci n'est pas une pipe*. Our frames, our symbols, our images are selective. Our reality is a choice.

SHIFTING FRAMES – THROUGH CONFUSION TO CHOICE

Our discomfort with dealing with the change network organizations imply is tied to the fact that they also expose this illusion. By design they are open and in their openness hangs the fear of freedom we experience when faced with the

ambiguity of choice. So how do we stack up when faced with this fear? When extraneous, unexpected events start to rattle the cage of our reality our anxiety is manifest. At the point at which this anxiety begins to overwhelm us our learning responses are critical as shown in Figure 3.

Do we deny anxiety by denying the significance of what is happening; thereby retreating more deeply into our existing frames, relying on their power to confer oblivion so that we can remain in blissful ignorance? Or do we step out of our frames and face the music of choice? Music that requires us to either willingly enter an alternative frame, with all the vulnerability this implies, or to temporarily exist in a state of confusion and uncertainty.

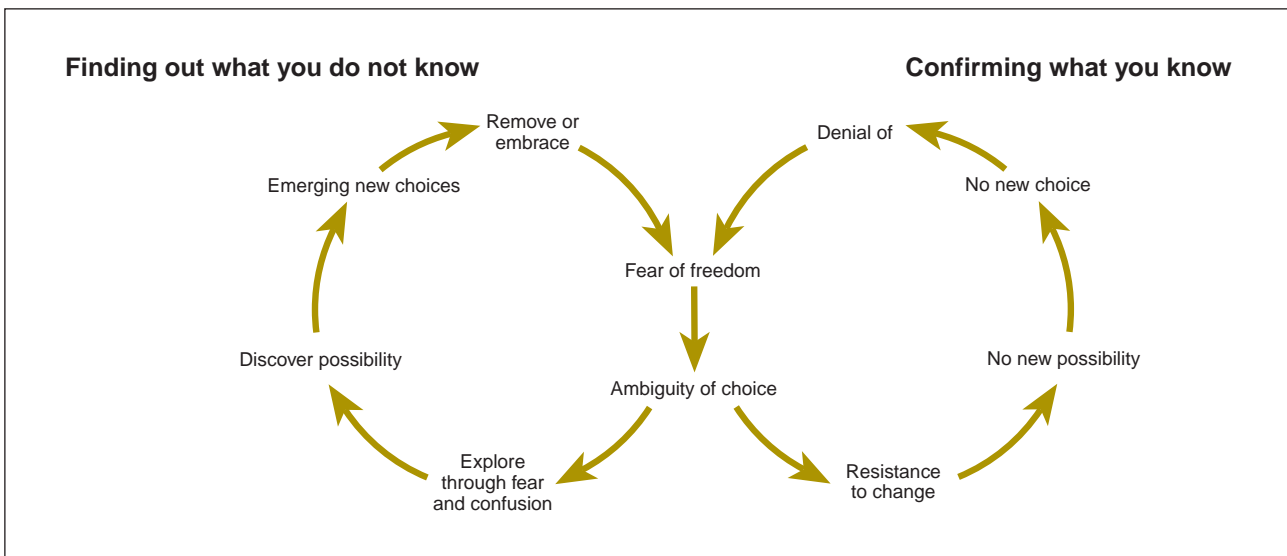


Figure 3: Two circles of choice

“Groups deploy social defences to contain the anxiety of working but, in facing post-industrial settings, they find it increasingly difficult to maintain group cohesion while remaining open to influence and information from outside the group. Burdened by the demands of outside stakeholders, claimants and other groups, who work with them, they may create a closed system culture in which outsiders are scapegoated and devalued. However, because the settings in which they operate have in fact become more turbulent, less predictable, and shaped by a growing number of competitors and claimants, the groups become more irrational and risk their own and others’ destruction as they ignore their outer world.”^[12]

Managers often look for a quick exit from confusion because confusion to them suggests lack of control. Yet confusion does not necessarily imply chaos. More confusion rather than less confusion may be necessary. Defensively staying in control to avoid personal discomfort and anxiety when the world is changing shape around you is arguably about as out of control as you can get. In fact having enough courage to let go of all the old boundaries and say ‘I don’t know’ and ‘let’s find out’ might be the most in control action to take. Uncertainty can imply freedom; coherence that is still to be formed or understood, choices that have yet to be made within collaborations that we have yet to imagine. As James Gleick tells us: “A few metres upstream from a waterfall, a smooth flowing stream seems to intuit the coming drop.”^[13]

We are more likely to intuit our own coming drop and the excitement and anticipation it brings if we can find a frame of suspension, a frame of not knowing, a frame of not needing to know. Imagine

a frame of possibility where new options and alternatives can be explored, a frame of freedom around the emergence of new choice.

OPENING THE BORDERS

One of the most obvious ways to respond to the demand for a more open organizational environment is to become more open oneself. The challenge is to find the courage to expand our openness to learning. The possibility of the Human Organization is that social structure will replace organization structure. Human network connections will replace what we currently think of as organization, as the primary integrator of capability, enabling a more fluid, more flexible competitive response. Only through connectedness can we truly build the human coherence so many businesses seek when running programmes of change.

Those responsible for Knowledge Management and the organizational change this implies are usually active in a number of initiatives designed to encourage more open, networked, cultural style. At some stage during these initiatives many are surprised to discover that despite considerable effort to the contrary, the programme results are but a mirror of the existing constraints on knowledge and understanding in the organization. This is because many models of Knowledge Management are applied in isolation from the human experience of learning.

The ability of knowledge workers to share and collaborate is tied to their relatedness to themselves and others. Learning occurs in relationships and the starting point is emotional rather than intellectual and rational. “Learning is not achieved solely with

NETWORK CAREERS AT SYNTEGRA

Syntegra, the systems integration business of British Telecommunications, was created in 1989 from the consolidation of 40 disparate businesses. In 1990, Bill Halbert joined as Managing Director and developed an integration programme, which included organizational culture and design. The main goal was to develop a project-oriented team culture and this task was not an easy one.

People were to be the heart of the business and it was vital to recognize the importance of the individual, of teams, of leadership, of ownership, of performance and how individual contribution relates to the whole.

At any time a person could be engaged on several projects and be functioning differently on each one. Making this a developmental experience for the individuals concerned required changes in expectations about careers.

As part of its shift to a more networked organization, Syntegra uses a 'network career' framework to help people understand how careers will develop within the new and rapidly changing work environment. With this understanding, they are able to recognize and exploit the opportunities which arise, thereby taking responsibility for their own careers.

Syntegra encourages people to see themselves as part of many networks. These may be formal, like a

project team or informal, like the players in a squash league. Such networks provide immediate access to information and influences of all kinds and are very much a part of the network careers vision.

To help people take on this new approach to career management, Syntegra also provides 'Career Anchor' workshops to help understand all the influences on a career to date and reconcile these with personal needs and values. Personal development plans incorporate appropriate training, self-paced learning and work assignments. In addition, regular skills reviews provide guidance for an individual's skill development planning. 'Network Careers' is used in conjunction with skills effectiveness, providing a number of profiles that act as signposts to guide skill development around personal career choices.

The requirement is for the continuous development of a blend of technical, professional and business skills; in other words, T-shaped skills, where the vertical is technical and professional skills and the horizontal cross bar represents general business skills, such as interpersonal, influencing and leadership skills. As most people did not have skills profiles which matched the T-shaped model, this was a major goal of Syntegra's career and skills programme.

intellectual or rational skills. There are aspects of individual experience of learning that are filtered through emotional and psychological history; shaped through group processes; and conditioned by broader forces of power within an organization or system."^[14]

To deny this is to over-rely on the intellectual experience of work and to over focus on the task oriented aspects of Knowledge Management. As Almasy discovers on his expedition during *The English Patient*, work encounters are psychological and political encounters as well as task or problem-solving encounters. To connect with others is to bump into a wealth of emotional realities and multiple structures of meaning and significance. In a world where our connections are becoming more numerous and varied, as the network model implies, we must learn to confront our personal identity as a social construction, another image or frame, rather than a fixed, permanent and unchanging state.

An important step in becoming masters rather than prisoners of identity is to be open and flexible about

our organizational roles – whether as leaders, players or team members. The conundrum for the network age is that organizations must create coherent work roles in order to fulfil their primary purpose. However, difficulties occur in achieving this purpose once these roles become too rigid to cope with the tensions of an unstable environment. Role rigidity is one unavoidable tendency of the mechanistic model of hierarchical organizations. Experience shows that in working to respond to more turbulent external conditions we constantly underestimate the barriers to truly developing processes of team learning. It is common to focus on the problems caused by being located in different places, or working with people of different nationalities and languages. It is less common to recognize and tackle people's deep reluctance to address major boundary issues.

Part of the experience of allowing our identity to be challenged will be an increase in the experience of the emotions of anxiety and fear. Developing better mechanisms for coping with these cannot be addressed separately from the more formal

management of knowledge around work processes and tasks. Denial, defensiveness, anger and sadness are all part of the risk and struggle of becoming more open and aware.

One way to cope with the risks associated with role ambiguity is to withdraw, deploying the psychological defences already discussed to protect us from anxiety. Another is to become over aggressive and to project anger on to other groups and outsiders. An alternative is to explore the values and interests inherent in our roles and to develop a frame of reference which enables the adoption of multiple, flexible roles. To adopt multiple roles and to be able to manage the tensions of multiple connections is the essence of seeing the earth without maps. Boundary divisions around resources, interests and roles are never completely arbitrary, but neither are they necessarily fixed or unchanging.

Within an expanded and more inclusive identity frame we can switch to see ourselves as knowledge contributors in a network. As individuals we are not really part of the story unless we connect with others in dynamic and varied network teams. Here the starting point for working together can be co-operation and collaboration rather than avoidance, indifference and distrust.

In our nervousness around becoming more open we often overlook the obvious tools at our disposal: namely the essentially human qualities of learning through dialogue, exploration and enquiry. Dialogue and exploration are the dynamics of open learning, essential for more enquiry into what is happening, essential for sharing of information across groups and between disciplines, essential for surfacing the meanings embedded in our existing symbols and frames. Through an appreciative and less judgemental investigation into what goes on around us we may arrive at a better understanding of the way we perceive ourselves and the context or bigger picture in which we are operating.

According to David Bohm, dialogue leads us to participation and enables us to see that our thoughts are embedded in a collective pool of meaning.^[15] The purpose of dialogue is to surface meaning and to suspend it for exploration by the group. Both dialogue and discussion can lead to new courses of action: but actions are often the focus of discussion, whereas new actions emerge as a by-product of dialogue. Trust is also promoted by the spirit of dialogue. This can help us get past our need for known manageable boundaries and can stop us seeing outsiders as a threat. From a richer understanding of others points of view, larger points of view may emerge. In dialogue we may hold a position, but we are no longer held by a position.

LEARNING TO WORK IN THE HUMAN ORGANIZATION

In managing knowledge networks there is much we can do to encourage dialogue and openness. As with the logic of networks, openness is easier to accept intellectually than emotionally. In practice dialogue can be hard to achieve. But in the absence of shared dialogue we cannot integrate or extend our action frames. Our choices are inevitably more limited, and despite our efforts to apply control, energy eventually fragments and dissipates. If we can see conversation as a key business process, the lifeblood of our networks, then dialogue can develop at a number of levels across and between classic organizational boundaries. There are several layers of conversation or dialogue to integrate around various network levels:

- The network team or virtual team, formed around combined individual contributions of knowledge and expertise.
- The network enterprise, made up of cross-business teams of teams held together by integrative business and social processes.
- The virtual or extended enterprise, comprising strategic relationships, alliances and partnerships.

When establishing relationships at any of these levels the trick for leaders is to neither prescribe nor assume clarity of task and role. Instead, effort is applied to contextualizing both the internal and external challenges and to providing a social or human framework for learning which accelerates effective working relationships. One example of this type of learning framework is shown in Figure 4.

This framework was developed for use in Lister-Petter, the engine manufacturer described earlier in the case study 'Dialogue in Dursley'. It was applied as a way of exploring perceptions about the business, about management, about personal capability and how work and resources were currently arranged. In using the framework people were encouraged to focus on:

1. *Purpose*: where the emphasis is on who we are and what we believe in through an exploration of identity and intent. Intent, as Gary Hamel has said, implies direction, discovery and destiny.^[16] Identity links intent to human motives, to our will, drive and need for creative endeavour. In exploring purpose we are generating understanding at a higher level than that of role and task. Purpose simultaneously holds both bigger and looser meanings than the

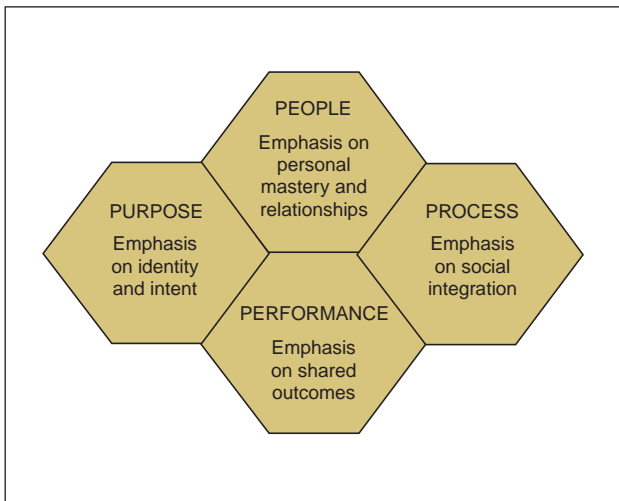


Figure 4: Social framework for learning

individual responsibilities associated with roles. It frees us to look through a wider angled lens when scanning the environment and when translating this to decision and action. Developing purpose as an integrator involves asking why the company or team exists, why this is important, who does it exist for, who will benefit, who is involved. Engaging people to attach significance at this level involves letting feelings show and inquiring into personal hopes and aspirations. Where possible encourage the use of pictures, metaphors and stories; all good conversation starters.

2. *People*: where the emphasis is on who we are to ourselves and others. Here we are seeking to encourage people to identify with their skills capabilities, experience and potentials rather than with a job or role. By developing personal mastery the aim is to trigger the individual level behaviours that are the foundations of networking, the building blocks of connectivity to others. Curiosity, creativity, mastery of ourselves and our relationships, all place greater emphasis on developing our emotional and network intelligence (EQ and NQ). It requires self-awareness, maturity, openness and sharing to trigger engagement and involvement. The Syntegra Network Careers case study is a powerful example of how to build NQ, encouraging identity around personal capability and opportunity.
3. *Process*: where the emphasis is on what is connected and how it is connected. Patricia Seeman has said: "Knowledge Management is about improving organizational

productivity by focusing and accelerating knowledge creation in companies."^[17] This acceleration is greater if key social processes like conversation, teaming, conflict resolution, ideas formulation and decision-making, are also included in process integration as well as things like supply chain management, benchmarking, delivery and so on. The aim is to surface existing disconnects and ways to improve connectivity, as well as to form a view of what and how to create channels for the future. Process integration is not as mechanistic as many would imply. Our frames around what and how things are integrated are deeply embedded in the business culture. Surfacing interests and beliefs about what knowledge and resource and how much knowledge and resource various groups can access and share, is a critical step to building the spirit of the Human Organization.

4. *Performance*: where the emphasis is on outcomes, on what is to be achieved and how it can be achieved. This involves collaboratively framing performance contributions as desired outcomes rather than as specific, situation bound actions and activities. This broadens people's perspective about the challenges they face as well as loosens the anchors to known tasks. From this broader frame new and more exciting possibilities can suggest themselves. Very often our performance focus is problem centred rather than outcome centred. We look for the cause of the problem, seek someone to blame and abdicate our responsibility for the circumstances in which we find ourselves. This often hides fuzzy expectations about what needs to be achieved, as well as ill formed understanding of the relationship between various ends and means. A key first question is: "What do we want?" rather than: "What's the problem here?"

Opening the borders depends on a willingness to explore the boundaries of identity using dialogue and other techniques for open enquiry. Without this willingness at the human level the essential openness on which the dynamic equilibrium of networks depends will remain beyond reach.

Without openness there is nothing to steer a course through uncertainty. But the learning style that accompanies openness isn't a beacon that clearly lights up the route to take. It's more like adjusting your own eyes to see a little way ahead in the dark.

MANAGING LEARNING THROUGH NQ

To create human networks we need network intelligence (NQ). NQ builds on emotional intelligence (EQ). EQ includes qualities of self-awareness and self-restraint, persistence, zeal and self-motivation, empathy and social deftness. Daniel Goleman states that to be emotionally intelligent, emotion and reason, thinking and feeling need to be balanced or reconciled. EQ has been shown to matter more than IQ for managing success at work. EQ involves:

- knowing your feelings and using them to make life decisions you can live with.
- being able to motivate oneself and persist in the face of frustrations.
- controlling impulses and delaying gratification.
- regulating one's moods and keeping distress from swamping the ability to think.
- the ability to empathize.
- the capacity of hope.
- handling feelings in relationships with skill and harmony.

NQ is an orientation that grows out from EQ. NQ is our aptitude for connecting to others. Connectability can be built at personal and group levels. NQ is a social phenomenon as well as an individual one. NQ includes:

- Elan Vital, an unconquerable spirit of creative enquiry.
- openness, expressed in confident, curious, non-defensive learning.
- staying close to the edge, neither withdrawing from or seeking to control boundaries despite the ambiguity entailed.
- holding 'in frame' the full set of feelings and values between yourself and others and using this emotional information to guide group process.
- listening for distinctions, using dialogue to acknowledge and explore differences in distinctions.
- trusting and reaching out to others, dealing with issues of bonding and identification.
- knowing yourself in terms of others experience of you as well as your experience of others.
- nurturing inclusive rather than exclusive *esprit de corps*.

[1] Goleman, D., *Emotional Intelligence, Why it can matter more than IQ*, Bloomsbury, London, 1995.

Such learning proved to be reliable when we were first discovering our lives, so why do we overlook it in our work? Why do we want to appear knowing, investing so much energy in confirming what we already know? Perhaps our innate capacity for openly exploring what is around us lies dormant or suppressed in our working lives because our humanness is also lying dormant and suppressed. As people, we have learned inhibited, helpless and half-hearted responses to each other because of the constraining nature of the cultures and leadership approaches that predominate in organizations of the late twentieth century.

THE NETWORK IS THE CONNECTION

Networks are connections. They cover connections between people in a team and multiple connections across teams of teams. Network connections will increasingly cross enterprises, which themselves will increasingly cross nations. This will eventually lead to the breaking down and reforming of traditional communities and institutions both within and across nations. To some the Human Organization sounds like the soft option; it is no longer an option at all. The emergence of networks is now a socio-structural reality.

“The information revolution is transforming the nature of distance as we know it – eroding borders and time; challenging traditional hierarchies; democratizing access to knowledge. Economists are now increasingly agreed that it is knowledge that is the major driving force behind economic progress. Development depends on the agile and the active seeking out innovation. This means that more than ever we need to become learning individuals, learning organizations and learning countries... Take the virtual network of pension reformers in Latin America, whereby five countries in Latin America will be linked up via the Internet, enabling professionals working in all areas of pension reform and insurance to exchange information and best practice. We need to build on these realities and recognize that we can't do business in the same old ways.”^[18]

Often we work in cultures in which new and more open ways of doing business are deliberately curtailed. This is because of the contradictions and differences that inevitably surface once dialogue begins and the exposure and risks many of us face if these contradictions and differences are legitimately recognized and explored. Positional hierarchies engender widely differing experiences of power and powerlessness between individuals.

The network morphology dramatically rearranges these power relationships by pulling the spine from

hierarchy; the central chain of command. Open environments invalidate command structure as a primary mechanism of integration by distributing intelligence, people and control. Command structures are disabled as task co-ordination and decision-making occurs real time in an interactive network of communications that is no respecter of time, place or persons. This challenges a primary assumption of hierarchy; that superior authorities have superior knowledge. In converting classic organizations into knowledge-based organizations, knowledge-based influence and position-based influence will not necessarily coincide. In the vortex of this high vulnerability context the powerful and the powerless must face each other anew.

“The power and the powerlessness of individuals within groups is an integral aspect of group process. Both power and powerlessness can be avoided or denied, they can become fixed or they can change and evolve.”^[19]

Continuing to deploy social and psychological defences around feelings of powerlessness may diminish feelings of vulnerability, but they will not create authentic conditions for collaboration. Our ability to operate across sophisticated boundaries of knowledge networks has thus far been stymied by one big untouchable; the undiscussability of our existing frames and values in relation to ownership and the distribution and sharing of organizational power.

‘ONLY CONNECT..!’

Much of what is currently written about Knowledge Management, networks and knowledge networking focuses on the technology and systems for knowledge sharing. This is tantamount to investing up a blind alley unless we make the same level of investment in our ability to openly relate. Knowledge networks are human organizations: an interconnected praxis of people and processes that enhance our ability to flexibly interwork and share.

In the knowledge work environment the familiar social frameworks built on organizational and managerial control will no longer be able to contain the anxiety that accompanies the management of complex and shifting boundaries. As work becomes more individualized and markets become more customized, learning to connect with others will be paramount. The anxiety that accompanies the human risk of openness can only be mediated through cultural and dialogical processes that acknowledge and extend identity and that emphasize personal mastery as the basic building block of integration.

Writing almost a century ahead of Michael Ondaatje, the novelist E. M. Forster recognized the potentially tragic consequence of our inability to come to terms with the differences that inevitably surface as we build relationships with each other. The novel *Howards End* was first published in 1910,

ARE YOUR RELATIONSHIPS CHANGING?

Which of the following statements best describes your typical behaviour?

- Do you**
- Create and maintain power distance, a ‘them and us’ power situation.
 - Extract obedience.
 - Set performance criteria and measure how well they are met.
 - Focus only on maximizing bottom-line results at all costs.
 - Punish failure or below-average performance.
 - Show no empathy for employees’ problems or concerns.
 - React negatively (doubt, anger, blame).
 - Protect information and ‘trade secrets’ from others.

- Do you**
- See yourself as a partner in pursuit of a common goal.
 - Encourage autonomy and provide space for empowerment.
 - Let people set their own performance agenda and manage their own performance against this.
 - Focus on ensuring that tasks are open, interesting and challenging.
 - Encourage risk taking in the name of innovation problem-solving and learning.
 - Partner in problem-solving based on shared concern and shared information.
 - Give and receive constructive feedback, demonstrating active listening based on fairness and understanding.
 - Share information and trust people to use it well.

at the beginning of the decade that saw this century's first great conflict. Through a story of two sisters, Forster explores what many of us intuitively feel; that our progress depends on humane values which enhance our ability to relate to each other and which enable us to begin to connect through resolution and reconciliation of the opposites inherent in our nature. Hence the epigraph of *Howards End*: "Only connect..."

"Knowledge-based competition will demand more of us, not less, and, ironically, the requirements for committed involvement in work will increase in parallel with the insecurity associated with it. Rather than teach ourselves to care less, imagine that we can somehow shield ourselves from the bonding and self-identification that committed work inevitably entails, we must face a harder and more demanding truth: namely that healthy resolution lies in inner wisdom, not external arrangements."^[20]

This century is closing with the dawn of the much heralded knowledge era, but unless we can bring together the opposites of the industrial age, uniting what is human with what is technological, then the term 'knowledge economy' may become an oxymoron. We have yet to resolve the split between man and machine, the split between the practical and the intellectual, the split between the rational and irrational, the split between inner and outer life, the split between good and bad within ourselves.

Michael Hammer has said that process centred work will help the 21st century organization to be on the side of the angels.^[21] For this to be true Knowledge Management needs dramatically refocused investment so that the difficulties in the human agenda can be addressed.

To return to Ondaatje and Magritte, the picture is not what it represents. There is no hiding place on an earth with no maps. □

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