



Designing the enterprise | The Xpragmatic View



The Xpragmatic View #113
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If there is one lesson that we must learn from the current crisis, it is that management will have to be different in the future. The greed culture that we have known over the past decades must be replaced by something else. What are the options?

Agility at its best

In our Reverse Interaction Modelling (RIM) approach, we essentially promote a method for designing your business, top-down, while focusing on the interactions between the parties involved. In the current version, this is essentially limited to basic process changes while interacting with customers and partners.

In this thinking framework, the company itself is merely seen as a single actor, as some kind of black box, the assumption being that we will be able to internally address the needs for the redesigned process.

One of the reasons for doing so, is that it promotes "out-of-the-box" thinking and therefore, is a suitable approach while looking for new opportunities. However, implementing the new solution will require that we analyse in detail the functioning of this "internal actor".

In theory, this might be done in a similar way, by focusing on the interactions between the parties involved (divisions, departments, teams, individuals). Unfortunately, in most situations, this will result in an exploding number of potential interactions, which makes such approach unrealistic.

Therefore, a more sensible approach might be to design our enterprise in such a way, that the interactions between the internal parties become self-regulating. We design the interactions that we want with the external parties. This essentially defines the "boundaries" of our internal business processes and then, our processes adjust. Our organisation rebalances in order to fit into this new context. Agility at its best.

Can it be done?

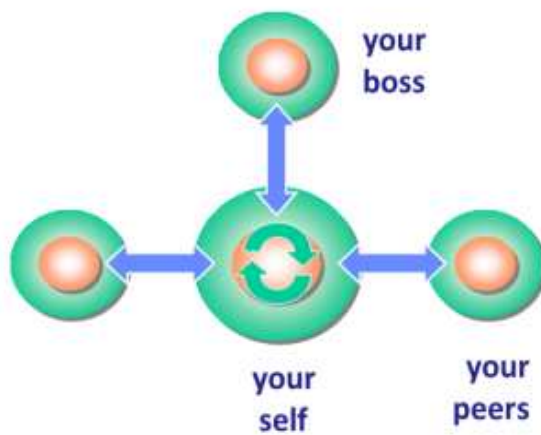
Well, it is not so unrealistic as we might think. This is essentially what corresponds to one of the findings of Jim Collins in his 'Good to Great' landmark book, where he wrote:

"The good-to-great companies paid scant attention to managing change, motivating people, or creating alignment. Under the right conditions, the problems of commitment, alignment, motivation, and change largely melt away."

So, having the "right conditions" in place seems to be doing the job. However, what do these "right conditions" look like? What type of organisation does this require?

Well, an interesting way of envisioning such organisation is described in Dee Hock's book, 'Birth of the Chaordic Age', where he asks the question how or what a manager should "manage".

In essence, his ideas are summarised in the following scheme.



According to Hock, the first and foremost important requirement for any manager is to manage the "self": to manage the improvement of your own knowledge, integrity, character, ethics, etc.

The second most important element of management then is to manage your peers, all the people within the organisation that you are "on equal foot" with.

Finally, the third level of management is to manage the people who have authority over you.

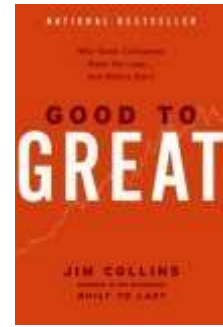
As we can see, according to Hock, there is no need to manage the people that report to you. Indeed, if these subordinates themselves adopt the same management approach (which includes managing you), then there is no further need to manage them. Everything is already done.

As a concept, it is remarkably simple. However, can it really be done this way?

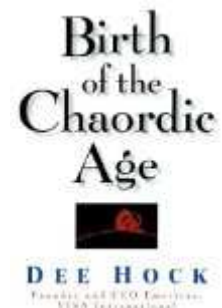
Managing without authority

Well, some of this is not that revolutionary. The first requirement of managing the "self" is also highlighted in other publications such as 'The Fifth Discipline' of Peter Senge where he lists "personal mastery" as one of the five disciplines that are needed in order to build the "learning organisation".

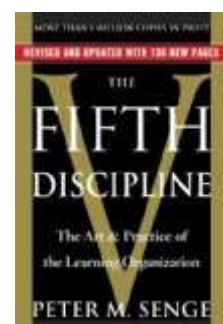
Managing your peers also seems rather realistic. In general, the average human is reasonably capable of working in a group. It is never perfect, certain personalities will be in conflict, but in general, the group will find a balance. It will never be a perfect self-balancing group, but this is largely due to the presence of the traditional hierarchy that makes that the group cannot make certain decisions.



Good to great
Why some companies
make the leap and others
don't
Jim Collins



Birth of the Chaordic Age
Dee W. Hock



The tricky one is likely the "managing your boss". Very likely, most of us will favour the idea, but it is difficult to really envision how this might work.

The Fifth Discipline
The Art & Practice of the
Learning Organization
Peter M. Senge

The main reason for this is a mental roadblock. We are all familiar with the traditional hierarchical structure of organisations, where a higher position always means more power, more control and authority. In such context, it is difficult imagining how the lower level might "manage" the higher one.

Therefore, a better way of looking at this paradigm might be to look at this relationship in the context of a virtual organisation. There, several parties work together to achieve a common goal. Each party has its own unique skills. Other parties rely upon these skills since they allow achieving their own goals. All parties have a common vision of what the "whole" tries to achieve and between the parties there are some rules that describe how they will work together and interact. Some parties will be bigger or more important, but there is no formal hierarchy.

In such context, it is much more easy envisioning the workings of Hock's idea. All parties will have an upward looking attitude moving towards the common goal. Every party is self-organising, responsible for its own achievements. In theory, nothing needs to be controlled or adjusted between parties, as long as the external context does not change. When it does, information is feeded through the network and every party adjusts in order to handle the new situation. As long as the adjustment does not influence the agreed interactions between parties nothing else needs to be done.

So, yes, Hock's management concept can work. There is nothing that blocks us from doing so. But organisations will have to be different then. Managers will have to be different. Employees will have to be different. And shareholders... We all know the harsh reality...

Managing your boss.


An idea with a wish.

About the author



Marc Buyens is analyst, management consultant and owner of Xpragma. Marc started Xpragma in 1999 after a 20+ years career in the IT sector. Today, he provides advice, training and mentoring services focusing on the intersection of technological evolution, organisational change and business strategy: a messy world of unfulfilled promises.

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