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## ***Square Pegs and Round Holes***

*By Charlie Grantham and Jim Ware*

One size misfits all.

We've been complaining recently about our own sense of being overloaded, if not overwhelmed, with work (of course, as we always say, it sure beats the alternative). More importantly, we've been recalling some conversations from the *2005 World Congress on the Future of Work*. While we don't have literal quotes, a basic and recurring theme was that the way large corporations are operating today is injurious to our health (mental, physical, and spiritual).

What's going on?

Well, we may have figured something out. In the process of cleaning up a very messy workspace recently we rediscovered the October 3, 2005, issue of *Business Week* that contained a very provocative cover story called "[The Real Reasons You're Working So Hard . . . .](#)"

And that article got us thinking a whole lot more seriously about that "injurious to our health" perspective (unfortunately, thinking seriously about the workplace doesn't happen often enough these days, because, well, we're working too hard).

You know what it's like – catching up on voice mail during the morning and evening commutes; logging on to check email before breakfast and after dinner; responding to Instant Messages from colleagues on other continents and in weird time zones at all hours, and participating in global conference calls at midnight, 4 AM, and just about every other hour of the day and night. And everyone we know complains about being too darned busy to think.

We've all got tools (PC's, PDA's, the Internet, WiFi, cell phones, Treos, Blackberries, iPods, etc, etc) and software (Google, Yahoo, NetMeeting, WebEx, Skype, Groove, Mapquest, Google Earth, spreadsheets, word processors, etc., etc.) that allow us to reach out and touch just about anyone or grab any data we need, anywhere, any time. And we use those tools 24x7 to connect with colleagues, friends, and family no matter where on the planet they – or we – are. Weren't they supposed to *help* us be more productive?

Yet it feels as if we're just spinning our wheels – and fighting bureaucracy.

Here's a couple of disturbing facts from the *Business Week* article:

- More than 31% of college educated males (in the United States) are logging 50 or more hours of work a week, up significantly since 1980 (but most people we know would love to slow down to just 50 hours a week)
- 40% of American adults average less than seven hours of sleep a night on weekdays
- 25% of executives at large companies report that their primary communications tools – email, voice mail, meetings – have become completely unmanageable
- Nearly 40% of those executives also report spending a half-day to a full-day a week on meaningless communication

There's something really strange about the cultural norms in the workplace (at least here in North America) that drive this kind of behavior. If we're so successful, how come we're not "taking" all the increased productivity of the last two decades and "investing" it in more leisure time? After all, the French and Germans take about six weeks of vacation a year; why can't we?

The core message in the Business Week article is that the underlying cause of all this wheel-spinning is the gross misfit between current organizational structures and processes, on the one hand, and the way most of us actually work (and need to work), on the other. Read that sentence again, slowly; it's a really important insight.

Here's the point: large organizations – both businesses and public sector agencies – are just about as archaic and obsolete as the dinosaurs we often compare them to. And they get in our way - literally. We are convinced that the organizational, procedural, and process misfits that dominate our economy in 2006 are slowly but surely destroying our productivity, our effectiveness, and even our good will.

Peter Drucker, always ahead of his time, had this to say about the corporation way back in 2001:

"For most of the time since the corporation was invented around 1870, the following five basic points have been assumed to apply:

- The corporation is the "master," the employee is the "servant." . . .
- The great majority of employees work full-time for the corporation. The pay they get for the job is their only income and provides their livelihood.
- The most efficient way to produce anything is to bring together under one management as many as possible of the activities needed to turn out the product.
- Suppliers and especially manufacturers have market power because they have information about a product or a service that the customer does not and cannot have, and does not need if he can trust the brand. This explains the profitability of brands.
- To any one particular technology pertains one and only one industry, and conversely, to any one particular industry pertains one and only one technology. "

(from "[Will the Corporation Survive?](#)", *The Economist*, November 1, 2001)

As we've already said, we all know in our guts that virtually none of that is true anymore.

Unfortunately, it's a whole lot easier to change individual and small group behaviors than it is to drag formal procedures, processes, and management practices into the 21<sup>st</sup> century.

As the BW article puts it:

"The problem, in a nutshell-to-go is this: Succeeding in today's economy requires lightning-fast reflexes and the ability to communicate and collaborate across the globe. Coming up with innovative ideas, products, and services means getting people across different divisions and different companies to work together. "More and more value is created through networks," says John Helferich, a top executive and former head of research and development at Masterfoods usa, a division of Mars Inc. . . ."

In other words, we need to work horizontally across both internal and external organizational boundaries (to say nothing of physical geography). But our whole concept of how to organize work and staff projects is built around an outdated and very counterproductive view of the organization as a legal entity that you are either fully inside of (as an employee) or outside of (as a contractor, customer, supplier, or simply as a non-employee). And every organization chart we've ever seen highlights all the vertical lines of authority while virtually ignoring the horizontal flows of information and work processes that actually make things happen and produce value.

The hierarchical model of organizational structure and functional authority is built on the premise that the world is stable and that the best way to improve productivity is to drive variations out of the process: do it the same way over and over, and over again. Fine-tune it, replicate it, master it through repetition, and don't let anything change.

That view of the world is after all what the whole Quality movement and it's successor, Six Sigma, was built on. And for some processes, that is a wholly appropriate way to manage.

The other core (and equally questionable) assumption that dominated the industrial model of organization was that the "higher" you were on the organization chart, the more you knew, and the more you should be consulted before any decisions are made and implemented.

We all know darn well that the world (at least a large and growing part of it) just doesn't work that any more. But dealing with those realities makes a lot of people very uncomfortable. So (we believe) many managers and even senior executives stubbornly cling to those old, and clearly inaccurate, assumptions that Drucker described, even when they too "know" in their hearts that those assumptions aren't valid any more. The trouble is, they just don't know what else to do.

Lowell Bryan, a McKinsey & Co. director, put it this way in the BW article:

"Professionals are still being managed as if they were in factories, in organizations designed to keep everybody siloed. At less well-run companies, you're struck by how frustrated people are. They work like dogs and are wasting time."

It's the need for review and approval that slows organizations down, and creates situations where front-line workers are just going ahead and making the decisions they know are required (and correct), in spite of the formal procedures they are expected to follow. But they also know they're doing the "wrong" thing by circumventing those formal processes and risking censure from above if things don't turn out the way they are supposed to. Unfortunately, this new reality just makes cynics of us all.

For most of us, that's not really news. But no one we know has really figured out what to do about it (other than fleeing corporate life as fast as they can). How many times have you complained about working too many hours, spinning your wheels, going "around" the system, being stymied by the bureaucracy, and not knowing what "those guys" in the executive suite expect of you?

Even though WDC is a small business, we're also struggling and constantly feeling behind the 8-ball (why did it take us almost six months to read the darned article about why we are working so hard?). But at least we're beginning to understand just how profound this misfit between formal management practices and the way most of us need (and want) to work really is.

And while we don't know the answers yet, we're growing more and more confident that at least we understand what the important questions are.

Here's the most shocking factoid of all to emerge from the Business Week article: in spite of all the organizational "flattening," business process reengineering, downsizing, and cost-cutting of the last two decades, managers today, in 2006, make up a **bigger** proportion of the workforce than they did fifteen years ago!

We've got to ask the question: what in blazes are all those so-called "managers" **doing** all day? With a higher and higher proportion of self-directed knowledge workers producing the innovation and intellectual property that drives our economy, and with more and more of those knowledge workers working remotely, what is there for managers to do (other than slow things down and gum them up)?

Well, the good news in all this is that most of the successful knowledge workers we know simply ignore the hierarchy and formal procedures and go get the job done (the best definition we've ever heard of the difference between professionals and blue-collar workers is that blue collar folks "do what they are told" while professionals "do what is needed." Maybe that's overly simplistic, but it makes an important point that too many middle managers still don't get. The awful truth is that most professionals today don't need a manager to "tell them what to do").

And now we're seeing a virtual explosion of new hardware and software applications that help those professionals find the people and the information they need to be successful – without going through any formal channels, asking permission, or needing much

training. Just think of the collaborative tools we are learning to rely on: wiki's, blogs, collaborative online databases, virtual meeting rooms and distributed editing tools, open-source software, and even open-source management philosophies.

And if you haven't gotten familiar with the open-source movement, you should. It's a powerful alternative way of getting things done, and we see it as far more aligned with the information economy than are the more hierarchical, traditional approaches we've been dumping on here.

As a way to get started, we heartily recommend reading Stephen Weber's excellent book, *The Success of Open-Source*, which we reviewed in these pages almost two years ago, in June 2004 (you can access the review by clicking [here](#)). And for another insightful and more current book see *The Power of Many*, by Christian Crumlish (reviewed in February 2005 – available [here](#)).

The open-source movement is a really important development because it is re-inventing the way knowledge gets created and shared in a meshed network, rather than a hierarchical, command-and-control context.

Randy MacDonald, senior vice president of human resources at IBM, said this recently about the management and organizational revolution that's already underway:

“ . . . if you go back in history and think about the fall of the Roman Empire, I think this set of years that we've experienced in the last 10 or 15 may actually be characterized as the fall of the traditional business empire and the rise or the emergence of collaborative and virtual empires around the world.

You know, [it's] kind of a sound bite that maybe not everybody gets yet, but as I look at the industrial powers as we knew . . . know them, or, knew them, it really should be, I don't think they exist as powerfully as they would have thought they would have been 10 years ago.”

Source: see “[IBM and the Future of Work](#),” a podcast; a transcription is also available, at: <http://www.ibm.com/investor/viewpoint/podcast/pdf/27-03-06-1.pdf>.

Maybe the most fundamental question that every CEO needs to ask is, how can I ensure that all those people in “my” organization who are making hundreds of thousands of decisions every day, in far-flung places and often without direct supervision, are making the “right” decisions?

The way industrial corporations dealt with that challenge of control was through strict, tight procedures, policy manuals (“Thou Shalt” and “Thou Shalt Not”), and close-in supervision by front-line supervisors. In today's world, where semi-independent knowledge professionals are making those decisions on their own all day long, we believe the only way to get “control” is to ensure that your employees *understand* what you need, and why; and – more importantly – to *want* what you want.

That's why the notion of employee engagement has become so important. It's no longer a matter of telling employees what to do. The only way to succeed today is to let them

know what you need, give them reasons to “buy in,” and then get the hell out of their way.

So we think it's way past time for a genuine revolution in management practice and organizational design. We remember that President John F. Kennedy once observed that, “Those who make peaceful revolution impossible make violent revolution inevitable.” Enough said.

Please direct your comments and questions to [comments@thefutureofwork.net](mailto:comments@thefutureofwork.net). We'd love to publish your reactions and suggestions.

### **About the Work Design Collaborative and *Future of Work Agenda***

*Future of Work* is a global network of resources – practitioners, thought leaders, researchers, and senior consultants – who are committed to building and implementing physical, social, and technology-based work environments that are cost-effective, socially and environmentally responsible, and personally satisfying.

We are focused on defining the future of work and helping our members and clients achieve new levels of workforce and workplace productivity. *Future of Work* produces and distributes management tools, surveys, benchmark databases, white papers and technical reports, conferences and workshops, newsletters, books and articles, and public presentations on the changing nature of work. The Work Design Collaborative, LLC, provides leadership and infrastructure services for the *Future of Work* community.

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