

CHAPTER 8

Managing in a World That Is Round

FIVE HUNDRED YEARS AGO, Renaissance Man discovered that the world was round. Three hundred fifty years later, Organization Man developed the practice of management. But as this practice evolved, he forgot that his world was round, and he built a management world of squares and boxes and pyramids. His world had a special language that matched its structure: the language of command and control, of order and predict, of climb the ladder, of top and bottom, up and down, superior and subordinate.

In every large organization for the next one hundred years, rank equaled authority. And for the most part, the old hierarchy that boxed people and functions in squares and rectangles, in rigid structures, worked well. It even developed the

famous pyramid with the CEO sitting on the pointed top, looking down as his workforce looked up.

And then a period of massive historic change began, of global competition and blurred boundaries, of old answers that did not fit the new realities. In all three sectors of public, private, and social sector organizations there grew a new cynicism about our basic institutions. With government, corporations, and voluntary or social sector organizations trying to ride the winds of change, a different philosophy began to move across the landscape of organizations, and with it came a new language, a new approach, and a new diversity of leadership.

In the 1970s and 1980s, some leaders in the private and the voluntary sectors saw that the hierarchies of the past did not fit the present they were living or the future they envisioned—so they took people and functions out of the boxes and, in doing so, they liberated the human spirit and transformed the organization.

Today we begin to see the new leaders, the leaders of the future, working in fluid and flexible management structures; and we hear a new language from these leaders—they understand the power of language.

“Mission-focused, values-based, demographics-driven”

“Learning to lead people and not to contain them”

“Management is a tool—not an end”

“Followership is trust”

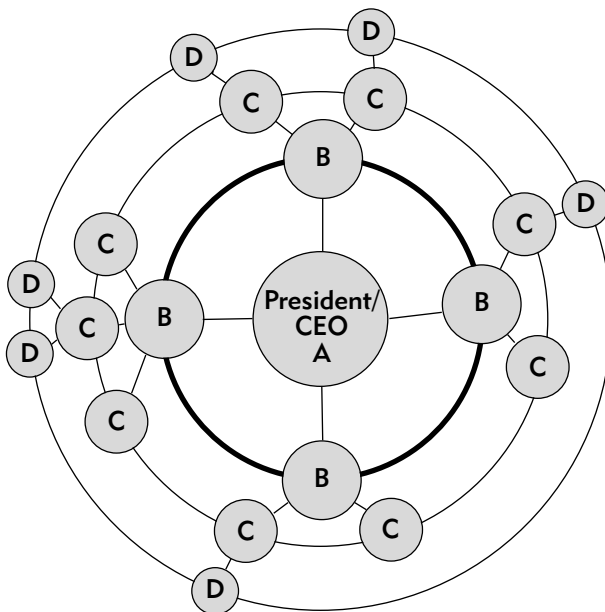
From my own experience in 1976, when I left the mountains of western Pennsylvania to begin my work as CEO of Girl Scouts of the USA, the largest organization for girls and women in the world, I knew that the old structures were not right for the next decade, let alone the next century. So volunteers and staff together unleashed our people through a flat, circular, fluid management system (see Figure 8.1). In the new organizational structure, people and functions moved across three concentric circles, with the CEO in the middle looking across, not at the top looking down. Five minutes after it was presented, a colleague dubbed it “the bubble chart” and an observer, “the wheel of fortune.” Our people moved across the circles of the organization—never up and down—and the result was high performance and high morale.

I am often asked by management students and middle managers in organizations I work with, “How can we free up the organization and make the changes you talk about if we are not at the top?” I reply, “You can begin where you are, whatever your job. You can bring a new insight, new leadership to your team, your group.”

That advice applies equally—or especially—to senior executives. As Peter Senge points out in “The Ecology of Leadership” on page 18 of *Leader to Leader* (Fall 1996, issue number 2), when it comes to sustaining meaningful change, senior executives have considerably less power than most people think. But one place where they can effect change is with their own work groups and everyday activities.

Figure 8.1 The Wheel of Fortune

Forget boxes and pyramids. The organization chart in a circular management system has a center, but no top or bottom.



- A: President and/or CEO
 - B: Vice President(s) for Management Unit (Management Circle)
 - C: Group Directors
 - D: Team Directors
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With the return of a more fluid, circular view of the world, the days of turf battles, the star system, and the Lone Ranger are over. The day of the partnership is upon us. Leaders who learn to work with other corporations, government agencies, and social sector organizations will achieve new energy, new impact, and new significance in their organization's work. But to manage effective partnerships, leaders will have to master three imperatives—managing for the mission, managing for innovation, and managing for diversity.

Managing for the mission. Understanding one's mission is the essence of effective strategy, for the small nonprofit enterprise or the Fortune 500. Consider the power of three questions that Peter Drucker offers those who are formulating an organizational mission:

What is our business/mission?

Who is our customer?

What does the customer value?

We devoted many pages of the first issue of *Leader to Leader* to the power of a motivating, aligned mission, so I'll add just a simple observation. Peter Drucker says an effective mission statement "must fit on a T-shirt." I would add it must give people a clear, compelling, and motivating reason for the organization's existence. For example, "To serve the most vulnerable," the mission of the International Red Cross, satisfies both criteria and succeeds brilliantly; "To maximize shareholder

value,” the de facto mission of many corporations, satisfies only the first, and fails miserably.

Managing for innovation. Peter Drucker defines innovation as “change that creates a new dimension of performance.” If we build innovation into how we structure the organization, how we lead the workforce, how we use teams, and how we design the ways we work together, then innovation becomes a natural part of the culture, the work, the mind-set, the “new dimension of performance.” At the same time, we must practice “planned abandonment” and give up programs that may work today but will have little relevance in the future.

Managing for diversity. Perhaps the biggest question in today’s world is, “How do we help people deal with their deepest differences?” Every leader must anticipate the impact of an aging, richly diverse population on the families, work organizations, services, and resources of every community. Headlines and TV tell us that governance amid diversity is the world’s greatest challenge.

Those headlines also remind us of the grinding reality that no single entity—whether, public, private, or nonprofit—can restore our cities to health or create a healthy future for all our citizens. But in the emerging partnerships across all three sectors, we see remarkable openness and results. We need thousands more such partnerships. All of us are learning from one another. Thousands of dedicated public sector employees overcome daunting odds every day to improve their corner of

the world. A huge social sector—with over a million voluntary organizations in the United States and over twenty million worldwide—shows what dedicated people can do, even on woefully inadequate budgets. And the incredible resources, energy, and expertise of the private sector reminds us that behind every problem there really is an opportunity. It is the leader's job to identify the critical issues in which his or her organization can make a difference, then build effective partnerships based on mission, innovation, and diversity to address those issues.

We need to remember that we can do little alone and yet much together. To be effective, leaders must look beyond the walls of the corporation, the university, the hospital, the agency—and work to build a cohesive community that embraces all its people—knowing there is no hope for a productive enterprise within the walls if the community outside the walls cannot provide the healthy, energetic workforce essential in a competitive world.

[1996]

