

Using Jujitsu on the Corporate Personality

CHANGING BUREAUCRACY

Fifty years ago when Max Weber was writing about bureaucracy, it seemed like the right way to do things. It was based on competence and merit. The organization was more important than the personalities in it. It was stable, reliable and steadfast. In the current era of chaotic change, bureaucracy doesn't seem like such a good idea. Bureaucracy spells rigidity, inflexibility, inhumanity and inadaptability.

Like it or not, we do have a lot of bureaucracy around today, and one of management's toughest challenges is to lead it, to adapt it, to refocus it, and to make it serve the needs of changing circumstance. We have bureaucracy in oil companies, in banks, in insurance and trust companies, sometimes in manufacturing companies, in newspapers, in utilities, in airlines and railroads. Indeed we have bureaucracy in a lot of our businesses. And we have bureaucracy in government too.

In companies, bureaucracy is a kind of corporate personality. These are comfortable organizations. In their ideals and values, they look at all sides of every issue, and consider all points of view. They value harmony and peacefulness, while appreciating energy and enthusiasm in others. The bureaucracy has a compulsion to avoid confrontation and conflict. Culturally, it is an agreeable and sociable place to be. People identify with each others' points of view. There is a drive for harmony and stability, and a tendency toward procrastination. Fairness and internal equity are important values — in things like compensation and promotion.

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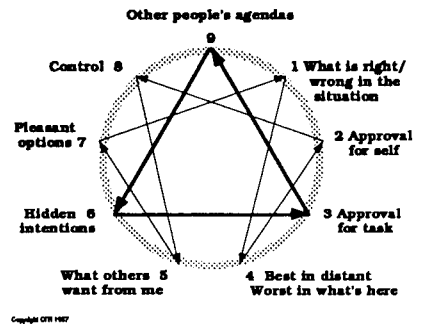
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FOCAL POINTS OF ATTENTION



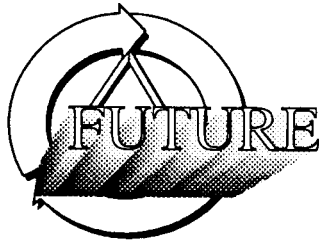
THE ENNEAGRAM

As used here, personality describes how a person pays attention. The enneagram, or nine pointed diagram above, is a convenient way of showing the common patterns of personality. Each point on the diagram refers to a preoccupation that the individual has. CEOs are commonly 8s, preoccupied with control, or 3s, preoccupied with performance.

Understanding the lines, arrows and adjacent points in the system provides insight into the variety of individuality. The system conveniently organizes psychological knowledge.

Personalities at point 9 would tend to identify with the statement, "If someone makes me do something, I get stubborn inside. I will agree. I think about it over and over again. I intend to do it, but it doesn't get done." If this sounds like the bureaucratic corporate personality, you've got the picture. Just like individual people? Experience would say yes

See Helen Palmer, *The Enneagram*, Harper & Row, San Francisco, 1988.



NEW MANAGEMENT INSIGHTS

Future issues will feature:

THE PERFORMANCE CORPORATE PERSONALITY

What to do with the company that believes in its own image? Attention is so focused on performance that there is no room for failure, only incomplete successes. That's ok when the going is good, but watch out for disintegration in the clutch.

THE POWER CORPORATE PERSONALITY

Is it possible to humanize a culture that pays attention only to control? Where rationality reigns supreme, it's tough to unleash the energy of emotional commitment — the stuff In Search of Excellence was talking about.

GOALS, TESTS AND OPERATIONS

Practical ways of converting high level thinking into implemented follow-through.

GESTALT PROTOCOLS FOR IMPROVED GROUP DYNAMICS

Ideas about how to harness the power of Gestalt Practice to improve decision-making, overcome resistance, and get things completed.

HOW DOES YOUR CORPORATE PERSONALITY PAY ATTENTION TO INCENTIVES?

Does your incentive pay plan take account of what your employees pay attention to? If you don't know the answer to that, chances are the plan doesn't get the results you expected.

Bureaucracy, from page 1

"And no wonder the bureaucracy doesn't respond well to the hip shot of each passing entrepreneur."

This is a very pleasant and civilized place to work. It is also very effective and very reliable at executing large scale, complex, repetitive tasks. The bureaucracy achieves best within a well-defined goal structure. It is detail oriented, practical and extraordinarily stable. Its energy is contained, if relentless. It is skilled at mediating conflict, and can recognize all elements in a new situation without weighing them, indeed without reacting to them. The bureaucracy is stubbornly passive-aggressive in ambiguous situations, or where conflict is unresolved, and will tend to repeat the pattern which has served it well historically.

No wonder many of the operating aspects of our business world are bureaucratic. This is steady, predictable performance. And it is worth emphasizing that an orientation to performance is a natural attribute of the bureaucratic personality.

And no wonder the bureaucracy doesn't respond well to the hip shot of each passing entrepreneur.

But times change. And the chief executive officer who finds himself with a bureaucracy in need of repositioning, needs to understand the subtleties of bringing off the change.

Faced with a crisis, there is a shift in compulsion in the bureaucracy to avoid ambiguity. Attention shifts from the other person's point of view to threats in the environment. There is a projection onto others, including the leader, of hidden motives and agendas.

"For the CEO who is driving the change, the bureaucracy in crisis is a quagmire. It doesn't confront him directly, but his energies are drained away by the passive-aggressive response."

The organization loses contact with the group or team spirit. There is a "work to rule" compulsion to find authority in policies or documents to legitimize decisions. There is a preoccupation with doubt. People in bureaucracy in crisis tend to zone out, to detach from the practical and to shift attention to the abstract.

The operational stability of the bureaucracy deteriorates. Decision

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as the sense of priorities evaporates. Fragmentation of the organization makes it difficult to follow through and complete projects. People seem to doubt their own abilities and look for a leader to give unambiguous direction. In crisis, it's hard to remember that performance is a natural attribute of the bureaucratic personality.

For the CEO who is driving the change, the bureaucracy in crisis is a quagmire. It doesn't confront him directly, but his energies are drained away by the passive-aggressive response.

There are leadership actions with leverage in this situation. Fundamentally, they involve reducing ambiguity, providing external energy, emphasizing stability, providing a relentless schedule of change which patiently accommodates individual input into reshaping the culture and allows safe, non-confrontational vehicles for venting anger or resolving conflict.

"The CEO's program will seek to energize individuals with enthusiasm."

This works because the bureaucratic corporate personality is acknowledged. Specifically, its achievement orientation within structure is considered. Also the mediator or counselling attributes are recognized for their ability to see all elements of the new situation. And the leadership action caters to the bureaucracy's appreciation of other's energy and enthusiasm.

The CEO's program will seek to energize individuals with enthusiasm. Key leaders among working group peers will need to mediate conflicts, allaying fears and emphasizing pride in being successful. The leader will clarify performance requirements, goals, time frames and activities required. He will legitimize changes with documentation of rules, strategy changes, policy changes, and an explicit statement of what success means.

"Throughout, the CEO will maintain a highly structured change program with built-in and known opportunity for changes to be made in response to employee input."

Patience is a by-word in all of this. The successful change program will pave the way for decisive action, defining goals, tests and operational requirements within a clear structure of milestone dates for implementing changes. The program will be supported by broad communication, heavy on details and appealing to rationality rather than emotions. The CEO will listen carefully to reactions and demonstrate a willingness to make adjustments to detail and method, but not to objectives and timeframes. He will set clear

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WHAT THE NEW MANAGEMENT IS ABOUT

Both strategy and structure follow people!!! Put the right leaders in place, give them knowhow on what makes people tick. Provide them experience in team cohesion that builds on the natural and intuitive strengths of each member. Teach them processes to open communication channels and generate commitment. Support them with crisp analysis which lays out strategic options. The leaders will define a strategy which leads to a sustained competitive advantage. And they will evolve an organization which logically supports the strategy, aligns power with the goal, and energizes commitment to the vision. Lock it in with incentives which fairly reward performance. This is the essence of the New Management.

It sounds familiar, because it reflects the popular "people are our most important asset..." It is new because it is tough, disciplined and rigorous.

The New Management is based on twenty-five years of research, practice and experience in the human side of enterprise. Starting with MIT's Douglas McGregor and his "theory Y", the New Management integrates competitive strategy with gestalt methods of group dynamics, the technology of corporate personality, and the techniques of completing processes. This people-oriented approach makes the hard analysis of products, markets, competitors, substitutes and value chains available to management so that clear strategies can be identified and implemented. This is the path to strategic positioning for maximum shareholder value.

Bureaucracy, from page 3

priorities among the success factors, identifying those critical to the new circumstances and articulating how these are supported by the changes underway. Throughout, the CEO will maintain a highly structured change program with built-in and known opportunity for changes to be made in response to employee input.

"Anything less -- such as autocratic directives, a reign of terror, smoke and mirrors, or rah rah will be absorbed by the bureaucracy and emasculated. So too, for the inept CEO!"

New blood with energy and enthusiasm will be recruited into a small number of selected key leadership positions. There are limits to this as a strategy, because it violates "fairness" values. Self-starters will be identified within, and their attitude encouraged, as their attitude is the needed change. These internal energizers may be deployed on task forces with clear goals, tests, operational guidelines and timetables. Tangible signs of progress will be rewarded early. Overall the CEO's program will establish achievable goal structures and a close monitoring of progress.

In a nutshell, this is change strategy that will work in the bureaucratic corporate personality. It will get realignment, with the new focus as relentlessly pursued by the organization as the old. Anything less — such as autocratic directives, a reign of terror, smoke and mirrors, or rah rah will be absorbed by the bureaucracy and emasculated. So too, for the inept CEO!

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- Organizational Development.
- Organizational Analysis and Planning.
- Executive Team Building.

SERVICES

People

- Executive assessment and succession planning.
- Executive Enneagram.
- Executive team balancing and enhancement.
- Management conferences, executive retreats, YPO Forum Moderator Training.
- Performance Sharing Incentive Plans (PSIP).
- Management Development & Training in the Human Side of Enterprise



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