

Jon Husband: Enterprise 2.0

Jon Husband has been telling me about “Wirearchy” and “Enterprise 2.0” for many years—long before I heard it anywhere else.

The central idea of Enterprise 2.0 is that organizations are moving from a focus on top down hierarchy to a much more networked kind of structure.

This structural change is enabled by the wired world (hence “Wirearchy”) and many of the people writing about this area emphasize technologies like wikis, blogs, video conferencing and so on. However, Jon, like me, worked as a Hay consultant and as such has a deep appreciation of mechanics of organization and job design.

I wanted to hear Jon’s take not on cool technologies, but how management and organization structure will be different in an Enterprise 2.0 world.

DC: What are the basic differences between the organizational world we are used to and a Wirearchy?

JH: There are three big themes:

- The organization will rely much more on horizontal coordination of work rather than vertical control;
- The idea that the organization is made of jobs will be supplemented by the idea that the organization is made of projects; and,
- The job of the manager will be less about control and more about facilitation.

But let’s be clear that the traditional ways of doing things won’t disappear. We will deploy a mix of traditional and enterprise 2.0 methods to suit the situation.

DC: Let’s start with organization structure.

JH: Traditionally if a marketing analyst in Germany wanted to talk to a marketing analyst in France, they would have to go up the hierarchy through their country head or up a dotted line reporting relationship to the corporate marketing function. But the real point is not how this communication could happen as the point that it probably wouldn’t happen at all. Traditionally there was no need for a marketing analyst in Germany to be talking to anyone other than his or her boss and the local team.

In an Enterprise 2.0 model we would expect a German marketing analyst to feel a part of at least two communities—the marketing community of the company (internationally) and the German business unit. They would communicate directly with their marketing peers around the world through wikis, blogs, emails and so on – something that is sometimes called the “blogosphere”.

The point is that a lot of communication would be happening horizontally without the boss’s controlling or directing this communications.

DC: So if you tracked the number of vertical communications versus the number of horizontal communications you'd find the percent of horizontal communications skyrockets in Enterprise 2.0.

JH: Yes. It's a realization that in a knowledge economy—a very fast moving knowledge economy—you can't try to control communication by having it pass up and down the organizational structure. You need to give up some control for speed. Management works to encourage conversations in the blogosphere, not restrict them.

DC: Tell me about the trade-off between control and speed.

JH: When Lou Gerstner was turning around IBM he said the single most difficult thing he had to do was stop the widespread delegation upward. There was this notion that the more senior higher paid people were there to solve the problem. But that created an enormous bottleneck that slowed the whole organization down.

Reducing control may mean there will be more mistakes, but in many cases this is more than compensated for by speed and creativity. You may have heard of the idea of "fail faster." There is no better way to learn than to do things, make mistakes and quickly fix them.

We live in a beta-world now. Things change so fast we never get to a final stable state. We need to get used to that reality.

As consultants you and I used to go into companies and create carefully crafted job descriptions and competency

models—then a year later things would change and we could go in and do it again. It was a good business, but it was driven by the idea that the organization structure would be stable enough that this kind of investment made sense.

What organizations need is a much looser more 'beta' view of structure and jobs and competencies. You are not building a flawlessly running machine because machines are not flexible.

In a Wirearchy, communications happen dynamically between whoever happens to be working on similar things.

DC: This moves us towards the idea that the building block of an organization is not jobs but projects.

JH: The traditional view is that the organization is a machine and it still drips with the ideas of Taylorism. In this model, the parts of the machine are jobs and a great effort is made to make sure the jobs designed 'right.' Again, that's why people would invest so much in competency models and job descriptions. The key was the right job design and then getting someone who could execute correctly.

But often in a knowledge economy we have to accept we live in a world of rolling change. Things are never clear and what is right today is wrong tomorrow. So the basic building block of the organization is not the job but the project. You need to be continually creating, directing, and ending projects. This calls for a lot of horizontal communication and self-organization because trying to control everything slows things down too much and fails to

tap the know-how distributed across the company.

DC: How does this change the job of managers?

JH: In terms of projects one big responsibility for managers is to decide what aspects of a project should be decentralized and what aspects need central control. Wirearchy is not meant to be anarchy, so let's not forget that traditional mechanisms still have a place.

More generally the role of managers is to make sure the workforce understands the mission and shared values. But other than that it's largely a matter of leading from behind, acting as a catalyst and champion rather than as director and controller. The leader no longer has privileged access to knowledge, the 'subordinates' – a word that begins to sound ridiculous – probably know more about the project than he or she does. So the manager has to see their role as creating an environment that brings forth the best decisions, not making the decisions themselves. Command & Control is being replaced by Champion & Channel (champion new ideas, channel resources).

Also, on projects much of the leadership comes from the team member who happens to be best positioned to supply it. In a traditional organization leadership is a function of where a job is placed on the hierarchy. In Enterprise 2.0 leadership on a project emerges based on the situation.

Managers have to become comfortable with the idea that a whole lot of work is getting done in the organization that is not under their direction, perhaps even without their knowledge and that's the way it should be.

DC: So Wirearchy requires a number of subtle and not so subtle shifts in how we think about jobs and organizations and management.

JH: In *The Future of Management* Gary Hamel says there has been almost no management innovation in the past 50 odd years. I disagree. We've known about socio-technical systems and self-managed teams for more than 40 years.

These approaches should not be seen as something the OD people do; it's not development, it's how organizations ought to be managed.

The team knows they have a mission, they work to clarify it together, they set objectives and create mechanisms (a Gantt chart, a blog or base camp) so that they hold themselves and each other accountable for achieving the objectives. This is management but it's happening within the group; management is no longer something that comes from on-high.

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If you are interested in learning more Jon's website is www.wirearchy.com

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