Inside the new organization: a blueprint for surviving restructuring, downsizing, acquisitions and outsourcing

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The world has changed and so has the workplace. In fact, the chances are that if you work for a living, the last few years of organizational life have definitely gotten your attention. You or someone close to you has experienced first hand the tectonic shift occurring in the American workplace. Re-engineering, downsizing, outsourcing, structural transformation, acquisition – whatever the source – the changes are much more than a slow growth of something new. For employees adversely affected by these changes or for those who don't fully understand why these changes are occurring, the effects can be demoralizing, often creating ill-will or a lack of trust between workers and their employers. Even rock icon Bruce Springsteen seems to speak to these hard feelings in his song, ''Youngstown,'' about steel workers being laid off by companies to which both they and members of their family before them had been deeply loyal. Springsteen's words describe the feelings of a single steelworker who says that his employer had forgotten him, ''now that I've made you rich enough, rich enough to forget my name.''

Indeed, the changes we are describing, and the trauma and hard feelings they often create for employees, convey the reality of a revolutionary way of doing business. These new realities of how business is being conducted demand an equally revolutionary way for each of us as employees to relate to the organizations in which we work. While change in organizational work patterns are occurring throughout the global economy, and while the global economy is a significant creator of the changes for people completing all kinds of work in a variety of work settings, our focus is on US organizations and their employees. This focus is a product more of interest rather than one suggesting that the changes affecting the US work force are more dramatic or more important than the changes affecting employees working in other economies.

How might the new organization be described? Peter Drucker, the godfather of organizational development, has weighed in on this matter. A few years ago, in a *Harvard Business Review* article, he described what he termed the ''new organization.'':

> The typical business now has fewer than half the levels of management of its predecessor and no more than a third of the managers. In its structure and in its management's problems and concerns, it bears little relationship to the business of even 10 years ago. Instead, it is far more likely to be an organization composed largely of specialists who direct and discipline their own performance through feedback from colleagues, customers and headquarters.

Many factors are causes of the organization Drucker's words sketch out for us. However, in our view, no factor is more important than what has happened to the locus and use of knowledge within organizations.

In the last 100 years, the knowledge base of businesses has changed quite dramatically. A century ago, most if not virtually all of an organization's knowledge lay with the people at the top. In this scenario, the Willy Lomans of the organizational world were given little credence and, some might say, little respect. People other than those at the top were thought of as

helpers or hands. They mostly did the same work over and over again and did as they were told. In today's new organization, knowledge is primarily at the bottom, in the minds of specialists who do the work and direct themselves. This relocation and reconfiguration of knowledge means that, ''much of the critical knowledge exists not in some theoretical blueprint of activities but in the knowledge, skills, and talents of the organization's members. In fact, it is becoming increasingly clear that competitive advantage depends heavily on the human resources and on the human resources practices of the firm'' (Deeds, 2003). In addition to a massive shift of where knowledge resides in organizations, most organizational work is done differently – largely in task-focused teams. The traditional sequence of research, development, manufacturing and marketing is replaced by synchrony of specialists from all these functions working together as a team, from the inception of research to a product's launch in the marketplace. In the new organization, the focus is on personal discipline and there is an even greater emphasis on individual responsibility for creating effective relationships and high-impact communication that serves as the bedrock for successfully integrating and coordinating different organizational tasks.

The conditions we are describing mean that the key to high-performance in the new organization is that everyone must continually ask him or herself questions such as: ''Who depends on me for what information and for what output? And on whom do I depend?'' Each person's list will always include superiors and subordinates. But the most important names on the list will be those of colleagues – people with whom one's primary responsibility is coordination. Everyone in the organization needs to constantly be thinking about the knowledge he or she needs to make unique contributions to the organization's success.

Victim or survivor?

Our work in organizations over the last 15 years has placed us squarely in the middle of the upheaval. We are quite familiar with workers who in many ways formed the core or foundation of the US economy's success – those well-meaning and hard-working individuals who don't understand why their contribution is no longer valued. And worse still, they don't understand what they should be doing differently to place themselves in a valued position.

Prompted by our individual clients and the organizations with which we consult, we began to ask some fundamental questions about what the new organization requires at the individual level – from the employee's perspective. We used several sources and formats to gather answers to these questions. First, while completing various consulting engagements and programs over the last 15-plus years, we interviewed individual contributors who had survived the downsizing, restructuring, outsourcing and acquisitions, as well as those managers who culled through huge numbers of employees to pick the best and brightest to staff their lean, more customer-centric, customer-responsive organizations. These interviews and the discussions associated with them first surfaced informally. Often, during breakout sessions and off-line conversations, we discovered that virtually all of the people with whom we were engaged had strong opinions about the skills and work orientations that they believed were necessary for employees to become indispensable to today's (and certainly tomorrow's) organizations. Interestingly, few of those with whom we talked referenced specific technical skills as being the foundation for a person having a ''leg up'' on the competition for becoming indispensable to an organization. Indeed, most people talked more broadly about interpersonally-based skills.

Intrigued by what people in these informal sessions were telling us, we decided to send open-ended written surveys to our clients, participants in our work-conferences and others to whom our clients referred us. These individuals had survived rounds of downsizing or had been involved in selecting employees to staff newly-configured organizations. We asked two major questions of those we surveyed:

1. What are the characteristics, skills and competencies of the employees who have survived downsizing in your organization?

2. How will the employee's role in the organization change due to new structures – structures which are leaner, more horizontally configured, more cross-functional and team based?

About 40 percent of those to whom we sent our survey completed and returned them to us. In our view, what emerged from our initial discussions and subsequent written survey results is a blueprint for individual success inside the new organization.

The recent literature in the areas of organizational and business redesign provides a context through which our blueprint for organizational survival can be understood and successfully applied.

A values balancing act

There is a substantial literature suggesting that as human beings we naturally embrace two seemingly contradictory values that affect our interactions with others: individual initiative and collaboration with others. In fact both values co-exist in our nature.

Individual initiative represents a desire to take the lead, to be independent; and to make a significant contribution. We understand that to make a difference, we must act.

Collaboration with others describes an equally strong human desire to be included, to be a part of a group, and to serve society's needs – the desire all human beings share to have their worth recognized by others. We all know that we have the capacity to make the work of others easier if we have a mind to do so, or more difficult if this is our intention.

To illustrate these two values, take the short quiz included in this paper. If you found yourself endorsing those values in one column at the expense of the other, avoid selling yourself on what has been called the ''Popeye principle'' – I am what I am and that's all that I am. This may be true at some level. Long-term research on personality types – tracking behavior patterns over a period of years, interviewing an individual's family, friends and colleagues – tends to show that even over long periods of time, a person's basic personality traits don't change. At least within a broad spectrum, achievers remain achievers; extroverts remain extroverts. However, as we think of ourselves in a business organization, the matter is more complex. What our interviews showed was that success in the new organization demands a balance between the values of individual initiative and collaboration as we work with others. This balance is necessary because these two values drive the way we interact with colleagues, superiors, customers, and suppliers.

Francis Fukuyama in *Trust: The Social Virtues and the Creation of Prosperity* (Free Press, Simon & Schuster, 1995), notes that most human history can be best understood as an interplay between two powerful forces – individualism and collaboration. Applying these inclinations to our economic system helps explain the evolution of how business is conducted in the US economy. Americans often think of themselves as ''rugged individualists'' – harkening back to their pioneering days. But if Americans are strictly as individualistic as we think we are, it would be hard to account for the rise and importance of giant corporations. If ''rugged individualism'' were the only determinant for success, the US economy would more likely be made up of many small, short-lived firms. Americans would be too headstrong and uncooperative to take orders in large organizations and too independent to build long-lasting private institutions. But, in fact, the USA pioneered the development of the modern organization, and by the end of the nineteenth century, the US economy had spawned some of the world's largest companies. So, in fact, America's cultural heritage is a dual one. Alongside the individualistic tendencies, there has been a powerful propensity to form associations and participate in other forms of group activity.

At the same time, individualism is deeply rooted in the rights-based political theory underlying the Declaration of Independence and the Constitution. Because of this grounding, it is no accident that Americans think of themselves as individualistic. But there is an equally old communal tradition that springs from the country's religious and cultural origins. This tradition is the basis for the community-spiritedness that is historically in evidence in American society. As supposed individualists, Americans have also been hyperactive joiners, creating strong and durable voluntary associations from Little Leagues and community associations to the NAACP and the League of Women Voters. Business writer Thomas Stewart has described these relationships on a more personal individual to organization level. In Stewart's words:

> . . . hidden between the lines of the ''new contract'' between employee and employer is an ugly and befuddling contradiction. On the one hand, you're on your own. You are responsible for your own career. You're the CEO of You Inc. in an every-man-for-himself universe of initiative and reward. Ah, but on the other hand, those of us here at Amalgamated Inc. don't cotton to self-aggrandizement. We want team players, all for one and one for all, because we're a team and we work in teams. Of all the skills you learn here, the most valuable is teamwork.

This taffy pull between individualism and collectivism is ancient. So why is this apparent paradox so important to understand now? First, the content and culture of the new organization requires that we be able to act in the service of both values.. Simple-minded work permits a division of labor in which people don't have to work together as long as the pieces of the system fit. But knowledge work – designing a product, writing an ad, reengineering a process – rarely moves systematically forward. It's an open-ended series of give and take collaborations, iterations and reiterations. Complex, cross-functional business problems demand a diverse set of skills. Fly solo on these teams and you'll be ostracized so fast it'll make your head spin. In addition, a batch of solo operators trying to form a collective unit, acting in concert, is a recipe for unproductive work.

On the basis of our interviews, we concluded that each of us has the capacity both for personal initiative and for collaboration with others. We hold both values as archetypes of the American spirit within us. The challenge we face in the new organization is to bring these two potentials into better balance. An important question, of course, is, How? How is it possible to bring these two tendencies into balance?

Eastern philosophy has successfully resolved this apparent paradox through the concept of yin and yang. Everything is understood in terms of these two apparently opposing principles. But in this philosophy, yin and yang are not seen as opposites. Rather, the one necessarily merges into the other, creating a natural balance of self and world. Yin and yang is understood as a way to bring us into a natural harmony with our world.

The habits of people who still have jobs

Accepted as co-equals, the values individual initiative and capacity for collaboration begin to define specific skill sets for relating to others who depend on us for our work and with whom our success is interdependently tied. Based on our interviews, we discovered four specific interpersonal skills – mental agility, personal visibility, boundary spanning, and team facilitation – that characterize individuals who are consistently seen as the most valuable to their organization. Each of these skills can be described in more detail.

Mental agility: the corporate quick-change artist

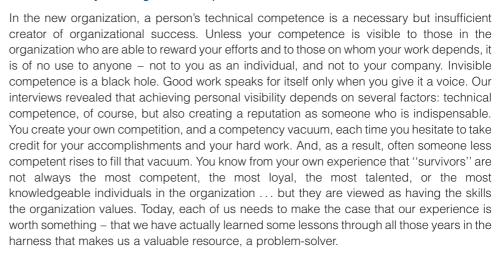This skill is at the core of life in the new organization. The currency of the mentally agile person is the ability to simultaneously appreciate the past, understand the present, and look

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forward to the possibilities of the future. Mentally agile people refuse to be anchored in either the past or the present. They recognize that superior organizational performance results only when individual employees are able to spot opportunities that, when successfully pursued, will create new or additional value for current or future customers. As a skill, mental agility is embodied by five crucial components:

1. *An action orientation*: having a commitment to making things happen and to keeping things lively; a willingness to become a multi-tasker.

2. *Quickness in thought and action*: being cognitively flexible and able to maintain a fast pace.

3. *Creativity/innovation*: being free to bypass convention as the path to developing imaginative and innovative solutions.

4. *A thirst for change*: valuing departures from the established patterns of doing things and capable of breaking with precedent. Being open-minded across time and projects.

5. *Calculated risk-taking*: being tireless when pursuing new possibilities and when acting to produce results by seizing opportunities.

Personal visibility: creating visible competence

In the new organization, a person's technical competence is a necessary but insufficient creator of organizational success. Unless your competence is visible to those in the organization who are able to reward your efforts and to those on whom your work depends, it is of no use to anyone – not to you as an individual, and not to your company. Invisible competence is a black hole. Good work speaks for itself only when you give it a voice. Our interviews revealed that achieving personal visibility depends on several factors: technical competence, of course, but also creating a reputation as someone who is indispensable. You create your own competition, and a competency vacuum, each time you hesitate to take credit for your accomplishments and your hard work. And, as a result, often someone less competent rises to fill that vacuum. You know from your own experience that ''survivors'' are not always the most competent, the most loyal, the most talented, or the most knowledgeable individuals in the organization . . . but they are viewed as having the skills the organization values. Today, each of us needs to make the case that our experience is worth something – that we have actually learned some lessons through all those years in the harness that makes us a valuable resource, a problem-solver.

What are the skills that will make your competence visible to those who count in the organization? There is an organizational saying: ''It's important to keep the smiles on the right faces.'' The right faces are those who can first recognize and then reward you for your competency. As partners to your success, these faces smile as you consistently perform in ways that create value for the organization. There are three crucial components to creating visible competence:

1. *Clearly communicating ideas*: this skill is particularly helpful in winning positions of respect and authority.

2. *Becoming a center of a knowledge network:* networking both inside and outside the company is more important now than it ever has been in the past.

3. ''Continuous resume-ing'': regularly asking yourself:

   - What do I actually do?
   - Who among those benefiting from my work is willing to testify to that effect?
   - What evidence is there that my skills are state-of-the-art?
   - Who do I need to know outside the company to enhance my effectiveness?
   - Will my year-end resume look different from last year's?

Boundary spanning: becoming an organizational ambassador

We're all familiar with the aphorism, ''It's not what you know, it's who you know.'' Organizational survivors invariably use their personal contacts when they need to: meet an impossible deadline, get advice on a strategic decision, or learn the truth about a new boss. Increasingly, it's through these informal networks – not just through traditional organizational hierarchies – that information is found and work gets done. It is to your great advantage to work to develop informal networks systematically.

In the past, organizational security came from being in the center of an organization, not taking chances and not rocking the boat. Now organizational security comes from being at the edges – where the organization needs to relate to the larger environment. Boundary spanning allows for communication across organizational boundaries: hierarchy, function or geography. In the new ''boundary-less'' organization, this is the art of influencing one side for another, brokering information, and mediating differences along the edges – ''managing the white spaces'' where organizational space needs to be filled. Before, we never thought to question what went beyond the confines of our department. Only a few years ago most of us were content with silo jobs – working safely within the confines of the things with which we were familiar. The new organization places a high value on forming alliances and lateral relationships – not reinforcing silos. Organizational survivors create value when they are able to break down the barriers that divide employees. Our interviews show that skilled boundary spanners are:

- *Connectors*: who link people in informal networks with one another. They strive to do business with a wide variety of individuals.

- *Knowledgeable*: they develop a broad-based knowledge of the workings of the organization. This broad-based knowledge is the foundation enabling key connections.

- *Continuous learners*: who listen across different parts of the company and look for what needs to be understood, communicated or translated.

Team facilitation: the participant-observer

There's no way around it, working in teams is here to stay. Organizations need facilitators to help them through the rough spots. Not someone to lead, but someone to facilitate, to expedite. Someone who knows what to expect as a team completes its work, who knows how to empower the team for high performance and who can see the big picture and make the right call. These facilitators must be skilled as ''participant-observers'' – fully participating in team action, while at the same time being able to take a figurative step back, appraising and diagnosing the situation and empowering the group to take effective action. Effective team facilitators are able to:

- *Diagnose the team's level of development*: a diagnostic capability is needed for a clear understanding of the natural stages of any team's development and maturity; incorporating the ability to attend to both the task and maintenance issues necessary for effective team functioning.

- *Facilitative empowerment*: the ability to work with other people as equals, to respect what they bring to the table, to listen to them for ideas and to work cooperatively with others to accomplish the task at hand.

Where do we go from here?

What about those millions of Americans who at one time or another have been victims of organizational resizing? What about those of us who have found ourselves in situations where we must adjust our style of working to fit with today's leaner, more horizontally structured, team-based organizations? For all of these people as well as those who've been fortunate enough to be spared either the single experience or the repeated experience of being right-sized, downsized, or outsourced out of a job?

The results of our surveys and work with a variety of organizational members point out what each of us can do to be a survivor. First, we should understand the twin needs to display

initiative in our work while simultaneously learning how to meaningfully collaborate with others. In the new organization, survivors are strongly committed to taking risks to push the organization forward while recognizing that their visibility and organizational savvy are products of effective collaborations. Increasingly, collaborators are recognized and their skills are valued. Of course, having the skills needed to launch initiatives while collaborating with colleagues is a strong contributor to organizational survival.

After learning the value of initiating and collaborating, we have the foundation needed to place a higher value on change and the possibilities it creates for improved performance,

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Take this quiz on a values balancing act

For each of the following 30 pairs of value descriptors, circle the one MOST descriptive of you from each pair. You may feel that both qualities describe you – or that neither do. But for each pair you MUST choose one. Total the number of values circled at the bottom of each column.

Column 1	Column 2
Decisive	Collaborative
Self-confident	Accepting
Ambitious	Trusting
Competitive	Charming
Optimistic	Sociable
Persistent	Helpful
Knowledgeable	Interested
Competent	Attentive
Industrious	Cooperative
Proactive	Considerate
Results-oriented	Responsive
Action-oriented	Team player
Self-reliant	Uniting
Initiating	Outgoing
Self-motivated	Gregarious
Risk-taker	Approachable
Problem-solver	Involved
Responsible	Encouraging
Achievement-oriented	Participating
Enterprising	Accommodating
Assertive	Non-competitive
Self-directed	Open-minded
Self-assured	Receptive
Resourceful	Adaptable
Determined	Interactive
Eager	Understanding
Pioneering	Communicator
Positive	Supportive
Individualistic	Tactful
Driven	Influential
Total column 1_____	*Total column 2_____*

If you circled substantially more terms in column 1: chances are you are under-valuing your ''capacity for collaboration''. Look at those words NOT circled in column 2. How can you begin to work to make these values more a part of your actions at work?

If you circled substantially more terms in column 2: chances are you are under-valuing your ''personal initiative''. Look at those words NOT circled in column 1. How can you begin to work to make these values more a part of your actions at work?

while learning how to place the importance of our skills within the context of the firm's larger repertoire of skills. We never want to ''brag'' about our previous accomplishments nor should we emphasize our skills at the expense of others'. Indeed, what survivors do is position their set of skills within the framework of what the firm is doing today and will likely be doing tomorrow to achieve its performance objectives. An individual's skills aren't valuable unless they blend with the skills of others to form carefully synchronized performance enhancing action.

The likelihood of becoming an organizational survivor increases when we devote a good deal of our time interacting with people outside the organization. Looking outside our own firm's boundaries to gain insights about what is occurring with suppliers, competitors and a host of others can be the path to increasing our ability to spot opportunities for our firm. Additionally, spanning our organization's boundaries helps us recognize the skills we should develop to make ourselves more valuable to our employer. Finally, seeking out opportunities to form and work in high-performing teams always increases our chances for survival. Indeed, through our interviews, we discovered that in the new organization, the most effective employees embrace team work and learn how to be a part of the most successful work teams.

Based on the results of our surveys, it is quite possible to increase the probability of being an organizational survivor rather than one looking for a new job. And, as we continue to study organizations, their environments and the actions leading to their success, we believe that the skills we've identified will become even more critical to personal success in the new organization.

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