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**Why is the Public  
Sector too siloed and  
analytical and what  
can we do about it?**

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**Bruce Holland**  
**Organisational**  
**Architect**

# Why is the Public Sector too siloed and analytical and what can we do about it?

## Summary

In my view the public sector is too siloed and analytical; it needs to be redesigned. The last major changes were made 20 years ago and it's now time to start thinking about the next systems-level improvement.

As a society we have some really important issues that are crying out for solutions, however, the people who are charged with solving these issues have been organised in a way that works against them and sets them up to fail. This is because these issues involve thinking much wider and more systemically than any one government agency has a mandate to.

**Society has some really tough issues to solve; unfortunately, it is set up to fail.**

Also the public sector is too analytical; it needs to develop systems thinking and more creativity. We won't solve the issues by breaking them up and studying the 'bits'. Analysis is insufficient and, in my opinion, more innovation is needed in government.

To fix this the whole system needs to be redesigned. I'm not talking about a 'Super Ministry' or recombinations like CYF/MSD; the answers are likely to be more open and emergent.

As a realist I know there are strong forces at work to maintain the current system, therefore, the last part of this paper discusses how leaders in the public sector can make the most of the system we have.

## Introduction

A lot of my work is about silos *within* organisations. At this level they separate work teams, departments and divisions. Silos make managers eager to defend their power, hoard capital and talent even when those resources could be better used elsewhere. They cause people who are supposed to be on the same team to work against each other, paralysing performance. These factions breed office politics and infighting that cause stress and exasperation that ultimately kills productivity and pushes the best people towards the door.

This is an important issue, however, as I've been working inside organisations I've become more and more aware that there is an even bigger issue. This is silos *between* organisations that need to cooperate in order to produce their outcomes. Especially over the last two years I've listened to my clients lament their inability to achieve results in isolation.

## Think Piece

Although I've done far less work between than within, it's so important that I've been moved to produce this "Think Piece" in the hope that it may contribute to the discussion and even towards a solution.

### Qualifications

This paper is not about the quality of the people working in the public sector; it's about the system they work in.

**It's not the fault of the organisations or the people. It's the fault of the over all system.**

It's not the fault of the organisations or the people. It's the fault of the overall system by which government is organised. Each organisation is full of well-intention people, working hard, trying to deliver their outcomes, but the system works against them.

I work extensively in the public and private sectors and in my experience managers in the public sector are at least as good as in the private sector. They also have a tougher job (see previous paper on "Issues Facing the Public Sector"), so they aren't the problem.

It's even hard to blame the owners of the system (parliament and the central agencies) because in many ways New Zealand's public service is still one of the best in the world; but this does not mean that it can't be better. Just because the rest of the world has not cracked it doesn't mean that we can't. As one of my favourite public sector managers said when he reviewed this paper: "If we were designing the system from scratch with the client in mind would we do it the same way? The answer is 'no'!"

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The current model, where everyone knows who is accountable, is better than what we had, but there is a real problem if what they are accountable for does not (or can not) achieve what needs to be achieved.

The public sector continues to improve with developments including the move from outputs to outcomes, the 2001 Review of the Centre and the State Services Commission's Goals (referred to later), however, most of the major changes were made 20 years ago and it's now time to start thinking about the next systems-level improvement.

# Too siloed

Our current model of public policy making is no longer sufficient for a government that has set itself the challenge of delivering solutions to some tough issues. The main problem is, these issues involve thinking much wider and more systemically than any one government agency has a mandate to.

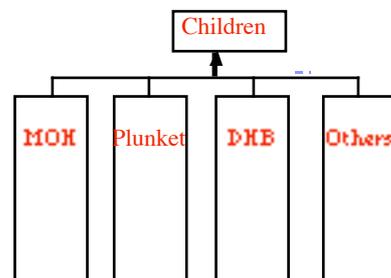
In New Zealand the public sector has traditionally organised work in individual organisations (silos) but nearly all the major issues in New Zealand need to be approached at a higher level - whether it's biosecurity, reducing crime, educating people, improving health or reducing the gaps in welfare.

**Each organisation tends to become isolated, rigid, bureaucratic and political**

For example, to improve the health of children, we arrange the various organisations involved (Ministry of Health, Royal Plunket Society, District Health Boards and others) in silos that are poor at talking together and weak at focusing on the child as an individual and asking the simple question: "How together can we help this child?" Rather they all push their own programs with insufficient respect or understanding of what the others are doing.

If we were drawing this model it would look like:

What we have is a series of individual bureaucracies, each with its own legislation and we have put individual managers in charge of achieving very specific accountabilities and outputs. As a result each organisation tends to become isolated, rigid, bureaucratic and political.



The main problem with the silo model is that, usually it can't deliver; it has not been designed right. The complexity of the real world can only be seen by getting above the silos and seeing the whole issue. Only by taking a broad view can we avoid the twin dangers of a silo-mentality (in which a fix 'here' simply shifts the problem to 'there') and organisational myopia (in which a fix 'now' only gives rise to a much bigger fix 'later').

Also the individual silos have not been designed with the customer as its organizing principle. In our example each of the silos is trying to deliver healthy children but there is no way they can. The problem is too big for any one of them to achieve on their own without collaborating and working together with each other.

It will take more than the Public Service Chief Executive Forum and various cross-agency committees or a bit more co-operation and a few cross-agency project teams. Even the really good work being done by the Leadership Development

**It will take a fundamental rethink of the whole system and I don't mean some sort of Super Ministry or recombinations like CYF/MSD.**

Centre won't be enough; it will take a far more fundamental rethink of the whole system and I don't mean some sort of Super Ministry or recombinations like CYF/MSD.

No system is any better than its sensory organs and silos are notorious for lack of environmental feedback. As a result, to those inside, the outside reality tends to pale and disappear. For example, when I was Group Strategic Planning Manager, at the Bank of New Zealand, I was actively discouraged from getting out of my 23<sup>rd</sup> floor office and spending time with customers in a branch.

The silo model tends to disempower talented people. It's strange how, when we are inside the silo, we are hardly aware of the restrictions the structure imposes. Like a fish it's the water we swim in. There is some sense of frustration, of being held back as though by spider-webs or thick mud but it's not until we move outside the silo that we realize how limiting it has been.

**It's like being held back by spider-webs or thick mud.**

Also the job design and organisational charts assign a certain amount of responsibility to rigidly defined boxes that ends up disempowering talented people. It ends up averaging people, which means we're not getting the best out of the high performers and we're expecting too much from the lowest performers. When the low performers don't perform, because they can't, management spends too much time fixing problems, rather than focusing where it should, on fixing the system, on high performers and things that are working well.

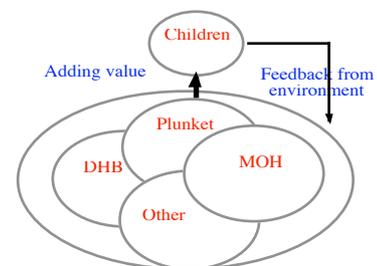
Disempowerment also comes from having many small silos where good and often senior people get stuck inside with nowhere to go.

## The systems model<sup>1</sup>

The first thing about a system is that it can produce far more than the sum of the individual parts. In other words, whilst there is no way that the individual parts can achieve healthy children, the system as a whole could. Just imagine the additional value that could be added if our silos were organised like a system.

If we were drawing this system it would look like:

In some ways this drawing looks messier than the silo model. It is characterised by fuzzy, open boundaries where people and information can move more freely, duplicated functions (that



For simplicity, when I refer to a systems model, I mean a community of connected entities working together to achieve a goal. More specifically I'm thinking of an 'open system' (open to its environment and highly responsive to it). Technically silos are also systems but they are much more closed and structured than what I have in mind.

sounds like inefficiency but actually leads to more ideas and improvement), lots of crossover communication, and people moving in and out of system-wide project teams in a much more self-organised and deregulated manner. The whole thing has the feel of chaos and may look unstable but computer modeling has shown that it is actually more ordered and stable than the alternative.

## **We need to rethink the system that delivers**

Focus for a moment on the outside circle in the diagram above, this is the living, open system I would like to see introduced. It's important to realize that I am not recommending some additional bureaucracy like a Super Ministry. I said earlier that it may look chaotic but it's actually more chaordic. 'Chaord' is the name Dee Hock gave to the loose structure he designed to deliver the world's first universal and international payment system called Visa International. In 1968, America's credit card industry had splintered into a number of incompatible, bank-specific franchising systems. Sound like the silos I've been talking about?

Dee Hock, then a 38-year-old banker from Seattle worked out how to build a system that would allow banks to cooperate in credit card branding and billing while still competing fiercely for consumers. The principles he used to guide Visa may well be a starting point for thinking about the public sector, they were/are:

1. Power and function in the system must be distributed to the maximum degree possible.
2. The system must be self-organizing.
3. Governance must be distributed.
4. The system must seamlessly blend both collaboration and competition.
5. The system must be infinitely malleable, yet extremely durable
6. The system must be owned cooperatively and equitably.

As a result of these principles, Visa is owned and operated by dozens of banks and itself has very little organisational structure. As Hock said<sup>2</sup>: "In Visa, we tried to create an invisible organisation and keep it that way. It's the results, not the structure or management that should be apparent."

**"In Visa, we tried to create an invisible organisation and keep it that way. It's the results, not the structure or management that should be apparent."  
Dee Hock**

In a system, the whole is primary and the parts and events are secondary. The parts are only important within their relationships to other parts and events. In our diagram it is the outside circle that matters most. The bits inside are secondary just like the lungs and kidneys are important but secondary to the human being. This is why I've drawn the chart with porous walls and lots of overlapping (collaboration) between the agencies.

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<sup>2</sup> See: 'The Chaordic Organisation: Out of Control and Into Order' by Dee Hock  
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In a system, relationships become much more important. In a system each part's effectiveness can not be analysed on its own, but only in its relationship with other parts. When one component changes it affects many other components and may even alter the entire system. The success of one component depends on the success of the other components.

To be a living system the system needs to be open to its environment through feedback from the environment. This is a major difference between the chart drawn to show silos and the chart for systems. Feedback includes measurement of achievement, learning, new knowledge, new models, and experimentation from outside the system. Feedback is how a system maintains its steady state and improves. Information concerning the system's output (healthy children) is fed back into the system as an input, perhaps leading to changes in the system to achieve more effective future outcomes. Only through feedback can a system live, learn and grow and this applies at all levels of the system - individual, team, organisation and overall-system.

### **Fund the outcomes**

In *my* public sector we would move away from funding tied to outputs. As long as outputs are funded, agencies will focus on outputs, fight each other for their funding and spend their allocations each year whatever the benefits.

In my public sector budgets would be assigned to outcomes then down to projects, not to business units or agencies. 'Market allocation' would be more important for deciding which projects are funded. Project Managers would bid for funding, just like entrepreneurs seeking seed money. Senior managers would be more like venture-capitalists than controllers of the budget. Their job would be to pick out what projects will help make the plan. Already many organisations are using similar models including Shell Oil, Virgin, General Electric Capital, Monsanto and others.

**Senior managers would be more like venture-capitalists than controllers of the budget.**

In designing any system it's important to start at the end, with the outcomes (healthy children) clearly in mind and work backwards to ensure that the outputs of the system will deliver the outcomes. In the 19th century, New Zealand set up a postal system to promote commercial growth, political and social communication and it has been highly successful. When Russia set up its postal system in the same century, it was so that the government could read everyone's mail. It was also successful.

Systems are built on people, trust and relationships supported by processes, measurements and rewards. The only way we will achieve a focus on the system is if managers are measured and rewarded according to how well they contribute to the whole system rather than the silos.

## **Manage according to principles of emergent systems**

Management in a system is totally different from in a silo. The focus will be on the system level first and the organisation second. What's required is a mindset based on abundance rather than scarcity, co-operation rather than competition and an understanding that organisations are living systems not machines.

In my extensive experience with public servants, this mindset largely exists already. It's just stifled inside silos. Open up the silos and abundance and cooperation will flourish.

In a silo, it's power and fear that hold the thing together, although within government the desire to do good is another powerful glue. In a system cohesion comes from leaders who help build a sense of identity, relationships, information, meaning and self worth. Instead of controlling in the traditional way (which the science of complexity says is impossible to achieve anyway), a different kind of control is needed - ease off the rulebook, increase empowerment, reduce levels, allow people to take ownership, focus on values and principles, spend time building relationships. Again in my view much of this leadership already exists but the averaging that I spoke about earlier dampens it down.

When I say "ease off the rule book", I mean think of rules in a totally different way. Rules are really important in a system it's just that they are local and few rather than global and many. For example in Virtual Group we have just three rules and from them all of our global behaviours emerge, they are:

**Managers need to think of rules in a totally different way**

1. Keep moving (keep learning and growing)
2. Stay close to your neighbours (clients and each other)
3. Don't bump into anything (cooperate rather than compete).

To work in this way we need to change mindsets. As soon as managers see that the organisation is not a machine that needs to be controlled and engineered and start seeing it as a living system that can't be driven or directed they start to relax and become more trusting, confident in seeing patterns and influencing without force. Instead of engineering the outcome they learn to trust that the solution exists somewhere in the system. The trick is to look for and boost 'positive deviations' (things that are already working unexpectedly well).

When we focus on the bigger system, the problems associated with people becoming stuck within a silo, disappear. The bigger system would almost certainly lead to wider opportunities for managers and staff to develop more quickly and broadly within the bigger system. Many years ago, as a young graduate working for ICI New Zealand Ltd, I worked in several subsidiaries over a 12 year period, but I was always considered to be an ICI resource loaned to the subsidiary Chief Executive to make the best use of until another opportunity came up within the wider group. Every three or four years I was

moved, building experience, relationships and responsibility. This only happened because people were seen as part of the bigger system. Just imagine the extra development, knowledge and experience public servants would get if their careers were looked after at a total-system level rather than at an agency-level. Apart from the extra promotional opportunities think about how much understanding would come, for example, to a Policy Manager in Justice that was transferred to Corrections for a period.

## **Relationships**

More and more the world moves according to whom you know and how well you can work with them to a mutual advantage. In a system this is particularly true, relationships and processes are what is important, not departments, units, or events. This is why in the systems model; networks replace hierarchy as the dominant organising structure.

Until recently managers have had to rely on intuition to understand the principles of networks and relationships. Now these principles have been codified into a whole new science that you can use to dramatically improve your ability to work co-operatively and collaboratively. Your success as an individual or an agency in the system depends largely on understanding these Laws and being comfortable working with them. They include:

- The Science of Networks
- Metcalfe's Law
- The Law of Weak ties
- The Law of Switches
- The Law of Connectors
- The Law of Proximity
- The Law of Reciprocity
- The Law of Self-organisation.

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These Laws deserve a paper of their own. I have listed them just to show that the technology to improve relationships exists and is readily available and should be taught to every public servant.

## **Can we change?**

What are the chances that government will change in the way I have outlined? Lets look first at the system controls.

In my experience it's quite a call to expect a subordinate system to act more strategically and cooperatively when the controlling system does not role-model the behaviours. As long as parliament continues to have a short term focus (3 years) so will government departments. As long as parliament and the media demand 'no mistakes' more than effectiveness they will continue to get defensive, risk averse, controlling behaviour from the public sector. The symbiotic relationship they have is a predatory model that demands conflict, clear responsibilities and instant answers. Government, although it may be more cooperative than under first-past-the-post, is still highly divisive. The

very structure of government, with Ministerial warrants, portfolios and budget allocations determines siloed approaches. Add to that the requirement for public servants to respond to ministerial direction, the natural orientation of the system is upward, not downward or outward.

Also, as an organisational architect, I know that silos tend to perform a certain function and operate in a certain way regardless of the need or changed circumstance. Whatever it has done in the past it will do again. They won't change on their own. During periods of stability small problems are dealt with routinely, without entertaining the possibility that they may be signaling a large system-wide organisational malady. Only when things get so bad that the system's survival is threatened do leaders sometimes take action that might fundamentally change how that system operates.

As a change agent I know that all systems regularly move back and forth between periods of relative stability and turbulence, and it is during the turbulent times that change occurs. Significant learning and change almost never occurs gradually and continuously. Instead, an extended period, when nothing much seems to be happening, is followed by a period of rapid and multi-dimensional change, and then by yet another period during which few visible changes are occurring. This pattern is called punctuated equilibrium, and it characterises the evolution of species, human development, adult learning and organisational change.

Wise change agents, recognise that change initiatives during periods of equilibrium have little chance of making much of a difference; rather they watch and wait for times of punctuation. They know that during turbulent times major interventions have a greater chance of success and that even small changes may yield a disproportionately large effect.

So the question is: "Is the system bad enough that it must change?" The answer is probably 'no'. On the other hand leadership may come from the State Services and we have a new Commissioner who seems to be keen on making progress. In his Statement of Intent (Goal 4) he says:

"Co-ordinated State agencies

"The interventions to date ... will require development so that they more effectively encourage managing for shared or joint outcomes, and extend this across the State Services. It has always been envisaged that joint outcomes would develop between departments and agencies, but so far this has been unusual. Consequently, there has also been little formal development planning between agencies. These goals will require the identification and pursuit of joint outcomes (where sensible) with all the resource management implications that would follow. As with the rest of the Managing for Outcomes Programme, the achievement of this goal will require active leadership from all the central agencies."

I guess the jury is still out on where the leadership will come from, but after 20 years of relative stability it's probably time to "punctuate" the equilibrium.

And because the rewards would be so high (for all the reasons detailed above) the chances of success are high.

## Too analytical

I hope by now you are convinced about the importance of an open connected system to deliver solutions to our most important issues. If we want to understand systems, to discover what is going on to make the whole greater than the sum of the parts, then we must preserve that connectedness and study the system as a whole, in its entirety. To many of us, however, such an approach is quite counterintuitive. When confronted by complexity, our natural instinct is to seek to simplify matters by cutting the system of interest up into bits, then to study the bits, and finally to use our knowledge of the bits as a basis for understanding this system as a whole. This process of cutting things up to examine the bits might give some insight into the behavior of the bits, but very often fails utterly to give insights into the behaviour of the system as a whole. Peter Senge makes this point very graphically in the 'Fifth Discipline' by observing that dividing an elephant in half does not produce two small elephants.

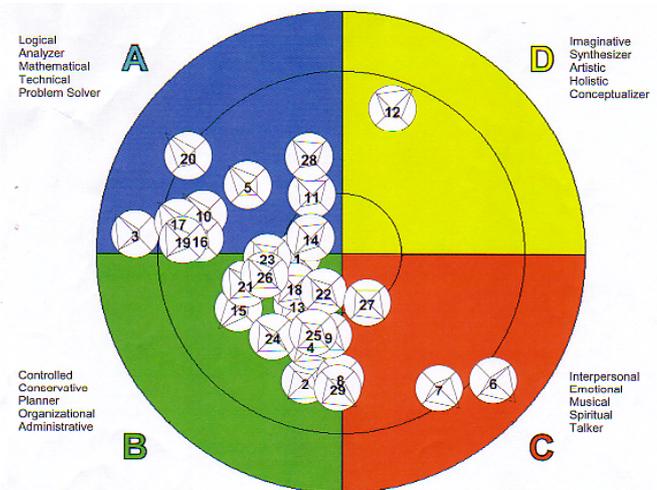
The study of the 'bits' is called 'analysis'. In my opinion it has too much sway in the public sector. Indeed, in parts of government analytical thinking is such a common way of thinking that it's hardly aware it's doing it. The inherent over-emphasis of this thinking is one of the biggest problems in government.

**Many senior managers talk about the need for innovation, but sometimes they're schizophrenic.**

Many senior managers talk about the need for innovation, but sometimes it's lip-service and sometimes they're schizophrenic. They want their agencies to be capable of more rapid change, but they still don't want any surprises. Managers want people to sense and respond to the environment, but they still don't want to say 'I don't know'. They acknowledge the value of diverse thinking in the organisation, but they're still more comfortable with people who mirror their own thinking.

I know from Herrmann's Thinking Preferences that every organisation needs all sorts of thinking, however government has become too analytical and lacks innovation. In my view there is too much weighting towards the A quadrant (analysis) and B quadrant (process) in the public sector today. There's no doubt that analysis and process are important however I hope the previous discussion (on silos and systems) shows that D quadrant thinking (innovation) and C quadrant thinking (humanitarian) are also important for seeing the big-picture (at the systems level) and building relationships respectively.

It may be that, even under a systems model, the public sector has to be weighted towards analysis and process, after all a significant amount of its work is involved in gathering information and delivering services. Also the Public Service needs to maintain neutrality in a number of circumstances and this requires analytical work to support it. However, even with all these qualifications, there is no doubt in my mind that it is out of balance at present. This is not entirely guesswork, over the years; I have processed dozens of public-sector groups through Herrmann's Thinking Preferences. In each group there have been C and D thinkers but the overwhelming majority have been A and B. The Chart on the right is typical.



In agencies that are too analytical there is an over-reliance on compliance and regulation rather than the creativity and innovation required to create a better environment. Analytical thinking makes them more interested in processing stuff than influencing and supporting self-reliant citizens. They have a short-term focus of doing things to people rather than a long-term focus of changing the environment where citizens can grow and thrive. It's a low risk quantitative experience rather than a higher-risk quality experience leading to inspiration and a stronger society.

**The public sector is 'micro-smart but 'macro-dumb'**

Where this imbalance occurs, analytical thinking, when paired with reduction, makes them 'micro-smart (good at thinking through individual projects and elements) but 'macro-dumb' at planning for the whole system. And while reductionist, analytical, and mechanistic approaches to thinking may appear to resolve ongoing problems; they actually fail to provide long term, more long-lasting solutions at the systems level. This is why the New Zealand public sector is still geared more to the short-term production of outputs rather than to outcomes, and accounts for what has been produced rather than evaluates progress in achieving major strategic objectives.

A lack of a bigger picture partly explains why agencies expend so much energy securing funding from government. It also explains why in many agencies there is a gaping hole between their outcomes and their projects.

**A lack of a bigger picture partly explains why agencies expend so much energy securing funding from government**

In my view, systems thinking and relationships building will not occur unless there is a significant rebalancing of these skills within senior management and other high levels of the public sector. This can be achieved partly through recruitment and partly by

identifying people who are already in the system with these sorts of thinking and are probably undervalued at present.

Unlike the position with silos, the problem of too much analytical thinking can largely be addressed by individual agencies on their own. For example, when I was working with the Government Auditor on their strategy, it became clear to them that the Office would be far more useful to society if they were able to stop issues from happening before they happened, as well as reporting on the issues after they had happened. This has become their major strategic thrust over the last 18 months, essentially trying to move the Office from a heavy weighting in the A and B quadrants to having a higher weighting in the C and D quadrants.

It's interesting that since MMP, parliament probably has a wider range of Herrmann quadrants around the decision making table than ever before, however, MMP is also a very powerful stimulant for even more analytical support as the public service is pushed to search for foundations for consensus decisions.

## **What if there is no systemic change?**

It's important to acknowledge that there are a number of examples where people have succeeded despite the system.

Examples of success include:

1. The Pure Business Project that was sponsored by DOL and lead by Richard Whatman. I was only slightly involved in this project but I was impressed by the way it was specifically designed to incorporate emergent behaviour.
2. The CIMS project that was sponsored by the Rural Fire Service and led by Murray Dudfield. Rural Fire employed me to help bring together all the agencies involved in emergency management. The resulting approach called CIMS (Coordinated Incident Management System) is now the operating model for all of them (including Police, Fire Service, Ambulance, DOC, Civil Defense) in an emergency.

These successes were built on an understanding of the principles of networks and open systems (see below), a vision of a desirable future and the willingness to leave egos behind and let everyone win.

### **Things you can do at a local level**

If government does not change in the way I've outlined above it will be much harder to solve our tough issues; however, even if there is no global change, there are many things leaders within the silos could do to improve the situation.

## 1. Trust

Leaders can build trust and eliminate fear (often the result of the abuse of power); generate collaborative energy and make honesty the basis of all business transactions. In some agencies the first priority of management is to control, not to lead. The underlying assumption is that people need to be managed and can't be trusted.

## 2. Amplify things we are hard wired for

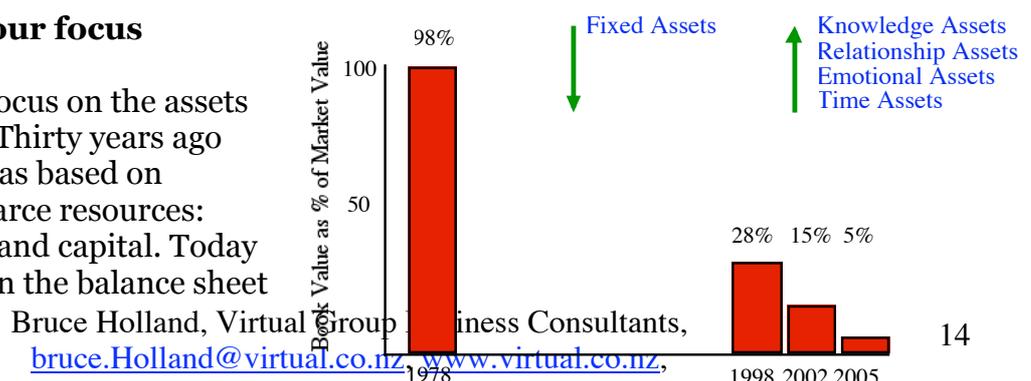
Leaders can work within their organisations to identify those things that we are hard wired for, then to build on these and amplify them wherever possible.

The things that we are hard wired for include:

- The drive to belong. The worst possible punishment was to be banished from the tribe and deserted. It still is. This means managers should spend more time making sure that people feel they belong and seeing how they are an important part of the organisation.
- Many organisations believe that competition is the natural order of things. Although there has always been competition, the natural order was overwhelmingly cooperative.
- We have short horizons and jump to irrational conclusions. Back on the Savannah, fight or flight was more likely to succeed than analysis and reflection. Managers need to compensate for these tendencies by introducing strategic thinking and systems thinking that force people to consider the bigger picture and how things are connected over time and space.
- Our emotions rule. People are like an iceberg, the piece we see is the head, the logical, rational self, but actually the real person is largely invisible. To work through emotions managers need to understand trust, feelings, fears, and insecurities.
- Communicate face to face in the circle. We are hard-wired through thousands of years sitting around the open fire in community discussion to communicate in circles.
- Few people. We are hard-wired to work best in small organisations of no more than 150 people.

## 3. Change our focus

We need to focus on the assets that matter. Thirty years ago economics was based on allocating scarce resources: labour, land and capital. Today fixed assets in the balance sheet



account for only about 5% of the market value of organisations. The other 95% is made up of intangible assets including knowledge assets, relationship assets, emotional assets and time assets. So why do we still pretend the 5% matters so much? I think it's because many of us were trained during a time when fixed assets really did matter and we are too trapped in our thinking to question whether it is still appropriate.

#### **4. Search out the positive**

One of the major assumptions in the Industrial Age was that we could control change. Today we know that it's better to start looking for the good in the organisation and wherever we find it amplify it. In any organisation some stuff is bad and some stuff is good. Usually what's good is far bigger than what's bad and within the good stuff there's some that's brilliant. Systems managers identify what's brilliant and amplify it, silo managers do the exact opposite - they focus on the bad and start a vicious downward cycle.

Organisations change in the direction in which they inquire. Organisation's that inquires into problems will keep finding problems but organisation's that attempts to appreciate what is best in itself will discover more and more that is good. It can then use these discoveries to build a new future where the best becomes more common. The technical name for this concept is "Appreciative Inquiry" - search for it under Goggle and you will get over 200,000 entries so it's nothing new or trendy and you need to know about it.

#### **5. Join people together**

Herrmann's Thinking Preferences shows that we are all strong in different ways and the best results occur when people join their strengths together in 'whole brain' project teams to produce the results, however silo thinking has led us to isolate people and squeeze them into something called a "job". I have no doubt that in the future managers will learn the amazing power of "project teams".

A highly successful way to join people together is through the board game call "Conversations" that is designed to get groups of people conversing at a deeper level. I have found that people will say breakthrough things to each other because they see it as just a game.

Another really important way to bring people together is to break them up. By this I mean seconding people to different business units, other parts of the value chain, different project teams and different challenges that take them into contact with people that they would not normally work with. This is important in building the networks and trust between units.

Finally, don't forget the out-of-work connections, such as social clubs, evening functions.

## **6. Free People**

For a short period in the 1990's empowerment in New Zealand almost took flight with really good examples supported and amplified by Workplace New Zealand, then the silo builders took over again. All the evidence from Chaos, Complexity, Systems theory and common sense shows that people need to be set free (not controlled) and empowered (not contained), yet this is not a strong movement within New Zealand. Part of the problem is that most managers don't know how to make it work; yet Linux, Visa Card, Virtual Group Business Specialists and Toyota have all found solutions.

## **7. Teach people systems thinking**

Get your people thinking more systemically about how things are connected and how the key levers of the business work. Get them drawing systems diagrams. Invest in a system-building product such as "ithink":

## **Conclusions**

I don't pretend that it is a fully worked solution, indeed it needs much more development. My issue is that I had no mandate to produce this paper, let alone a mandate to polish it into something that is more developed.

With these qualifications, I know that change happens in strange ways, especially when a system is under some pressure; small initiatives can lead to large results. I hope this paper is part of the impetus towards the next big step forward.

If change does not happen at a global level, I hope this paper encourages some brave souls to work more successfully at a local level.

This is important to me so if you'd like me to discuss it with you and your team let me know and we'll make something happen.

Bruce Holland  
2006

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This paper owes much to many authors that have influenced my thinking. Some of the major ones are:

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"Lifting the Lid ...  
Wall to Wall."

**B**ruce helps large organisations be more focused, fast and flexible; places where people feel more depth, connection and contribution.

**B**ruce is an expert in Strategy, Execution, Culture and Structure - reducing bureaucracy, opening communication and releasing energy in under-performing managers, staff and processes.

**B**ruce is dedicated to improving human endeavour. He believes many organisations are small fractions of their potential: lopsided towards top down management controls, analysis and individual accountabilities, too weak in innovation, synthesis, team cooperation and collaboration.

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**B**eing the best is important to Bruce, but he'd rather be the best FOR the world than the best IN the world.