

THE HORIZONTAL REVOLUTION

REENGINEERING

YOUR ORGANIZATION

THROUGH TEAMS

Morris A. Graham
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FOREWORD BY STEPHEN R. COVEY

The Horizontal Revolution

**Reengineering Your Organization
Through Teams**



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Foreword

The Horizontal Revolution is a timely piece of instruction for teachers, trainers, managers, and organizational leaders. This book responds to a new horizontal leadership model of teaming and coaching, which develops and renews people at all levels. The concept of a horizontal organization includes ideas familiar to devotees of high-commitment/performance teaming, process reengineering/decentralizing, empowerment, customer focus, and principle-centered leadership. Within this revolution, people across the organization are called on to assume more accountability and exercise decision-making authority and to be trained in the application of self-managing principles in order to become more than equal to the new challenges of our dramatically changing times.

Guiding people and organizations into a new horizontal culture is no easy feat. It isn't as simple as reengineering an outside-in approach—scrapping your organization chart, mashing middle managers, and dropping all departmental barriers. Externally imposed approaches may elicit short-term gains but are a breeding ground for mistrust, negative feelings, and lack of work force responsiveness. Instead, the authors of *The Horizontal Revolution* champion an inside-out approach—focusing first on developing principle-centered teams that sustain a continual process of renewal—an upward spiral of growth that leads to progressively higher forms of responsible independence and effective interdependence. Ultimately, these teams will take on the knowledge, skill, desire, and opportunity to succeed in a way that leads to

collective organizational success. The new culture becomes high-trust, win-win where helpful system structures are created to reinforce people working together effectively.

In this new culture of trust and open communication, people working interdependently in cross-functional teams are able to generate creativity, improvement, and innovation beyond the total of their individual capacities. Horizontal functioning becomes the practical process in which teams plan, execute, and control their own performance within an agreed-upon stewardship. This win-win condition facilitates effective autonomy in which teams have access to the primary elements of empowerment—knowledge, skill, desire, and opportunity. To keep a lean management staff from choking on a glut of decisions, authority is reinvested in high-leverage team leadership and self-directed activity.

In many ways, this book is a complement to and extension of my work and teachings. Morris Graham and Mel LeBaron have given us a powerful presentation of principles, values, and practices that align people as the most valuable organizational asset. The realization of a high-trust team culture comes through an organization's commitment to integrity, maturity, and abundance mentality. Teams with integrity make and keep commitments to themselves, to the customer, and to the organization. Individuals within these teams are able to express their ideas and feelings with courage balanced with consideration for the ideas and feelings of others. People with abundance mentality assume that there is plenty out there for everybody. They deeply value the contribution of others and recognize unlimited potential for teaming together. Teams with a high degree of integrity are free to interact with true synergy and creativity, unrestrained by the doubt and suspicion that permeate low-trust cultures. Clearly, it is my experience that without principles and values to guide these processes, people will lack a true sense of personal contribution to the work.

These are spirited times. I am particularly impressed with the sense of destiny, commitment to people and excellence, and passion

for renewal shown by Morris and Mel in this book. I admire their willingness to lean toward the artistic and penetrating instincts required for success at work. I also believe that we must build better business—and be able to live with ourselves and each other—to get things done that need to be done. Applying principles and values to learning, leadership, teaming, and coaching is absolutely required for effective work and workplace behavior.

Finally, this book inspires me to action because it is not based on theory or hearsay. Morris and Mel have actually done the things they write about. They are supreme coaches and yet they are extremely coachable. They learn as they go and cause others to do the same. They have helped many, and I'm sure they will help the reader to realize that the imagination that goes into team structure is as important as the imagination that goes into producing products and services. *The Horizontal Revolution* reaffirms that our imagination should never run away with our judgment. Herein is a profound structure and process for giving power to people and impacting the people of power. It is the emotional, mental, and physical move many of us need to make. I am personally grateful that Morris and Mel have given us such an insightful and practical road map for our journey. This inside-out approach is so needed today, and the awareness of that need is literally flooding sophisticated organizations that have learned, and continue to learn, the flaws of outside-in.

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Preface

A horizontal revolution is reinventing the U.S. workplace. Unlike the Industrial Revolution, which was machine-based, the horizontal revolution is people-based. The Industrial Revolution altered our way of living. The horizontal revolution is altering our way of working.

The revolution taking place today is the organizational movement from hierarchical, function-based structures to horizontal, integrated workplaces organized around empowered individuals and self-directed work teams as the means to achieve sustainable business process changes and extraordinary organizational redesign. Organizations can no longer rely exclusively on the wisdom of a few at the top. The thinking skills and responsiveness required to deal with the multitude of customer demands, cultures, technological advances, competitors, and possible futures means that every employee must be intelligently and fully involved. The horizontal revolution is built upon both efforts for efficiency and process redesign and requirements for flexibility and involvement. New skills for building trust, collegiality, adaptability, teaming, and coaching are its vehicle. Shared power, information, and rewards are its hallmarks. Individuals and teams that are empowered, that make their own decisions, and that serve clear business processes and purposes are its heart and soul.

Background of This Book

Ours is a voice from the frontline trenches. We have worked as coaches in those trenches—where people encounter people,

where the sense of ownership, commitment, and mutual goals begins. Guiding various stages of the revolution for such corporations as General Electric, Disney, ITT, Otis, Marriott, and Litton, we have created learning experiences and learned the necessary continuity of day-after-day coaching in a workplace. We have also learned the consequences of that nurturing, witnessing amazing shifts in workplace roles, goals, and souls. New visions and missions for work effectiveness have become new agendas for focusing on the process of working together. Self-direction, shared ownership, and shared gains have become a vital part of action plans and business strategies for applying unique talents and insights to reengineering objectives.

The center of a business is people working with business processes in high-involvement teams that meet together weekly and meet occasionally with a coach providing the coaching skills necessary for all individuals to constantly reinvent themselves. Therefore, our approach integrates process reengineering and teaming/coaching. It is analogous to first going on a diet and then keeping the weight off. Sadly, over the long course, most organizational process-reengineering diets do not work because fundamental work styles have not been altered enough to sustain long-term changes. Corporate weight stays off only when teaming/coaching and other new and creative approaches to human interaction permanently replace old ways of doing things, when organizations help people adapt to change; understand the stages of change; diminish defensive, blaming, and rationalizing behaviors; and take on increased ownership and accountability throughout the organization.

The horizontal revolution requires everyone to feel and heed new life-enhancing principles: passion comes before politics; compassion comes before compulsion; and reality before rhetoric. People at work have for too long spun their wheels while only the political treads hit the road.

Audience

We wrote this book to be both a supercharger for those who have already joined the revolution but want to change more rapidly and effectively, and a navigational manual for those who need to get on course with their restructuring, realigning, and reengineering efforts. *The Horizontal Revolution* was written also for executives who want to better understand the workings of horizontal change in the workplace and who think about, and are in a position to initiate, job and organizational redesign. If you are a modern executive, you need to get things done in a more efficient and cost-effective way, to get employee buy-in, and to get employees to be more self-directed. This book will help you develop your coaching skills for the new workplace.

Overview of the Contents

The Horizontal Revolution presents a doable process executives and managers can use to redefine their organizations around teams. We present proven prescriptions, insights, techniques, and skills for redistributing ownership and responsibility and minimizing the us-them conditions that prevent teams from creating high-performance results. As we discuss further in the Introduction, we show you how to make your workplace a center of learning and leadership, a place in which work is integrated around the generation of both greater productivity and more humane relationships.

Part One (Chapters One through Four) discusses staging the horizontal revolution. Chapter One shows managers how to establish the up-front involvement and initiatives needed to roll out the revolution through teams. It introduces the first stage of a four-stage model for revolution and describes how to deal with barriers to change so that camps of resistance will not be left to smoulder, ultimately flaring up again to stall the revolutionary process. Street

fighting tactics are discouraged and practical ways to air disagreements and build coalitions are fully described, since a fully effective team implementation requires integration of all restructuring processes with behavioral conversion. Chapter Two develops the settling-in stage of the revolution and ways of helping work teams struggle with the inevitable gaps between expectation and reality.

In Chapter Three, we examine the new horizontal roles for managers, team members/leaders, coaches, facilitators, recorders, and the steering and design teams, using a new analogy to describe the way individuals in an empowered group can think of themselves, their common mission, and their flexible functions. We also show how horizontal functioning best fits strategies that integrate profit centers around customers. In Chapter Four, we discuss the key tools that transform teams into the building blocks of the horizontal revolution, focusing on workouts and process mapping.

Part Two (Chapters Five and Six) describes how to lead the team-powered organization. Team-based organizations require better, stronger, and situationally correct leadership, not less leadership. Chapter Five stresses commitment over control as the paradigm for horizontal leadership and describes how team leaders can be more elastic. Chapter Six presents a unique coaching process for horizontal functioning along with practical coaching tools for remedying substandard performance on horizontal teams.

Part Three (Chapters Seven and Eight) shows you how to keep the revolution alive. Chapter Seven features a refashioned approach to sponsoring, monitoring, and recognizing people's progress, endorsing a horizontal redistribution of wealth. Chapter Eight supplies additional prescriptions for staying organizationally healthy and fit. Because the maintenance of the horizontal revolution is often difficult to plan and dangerous to coach, additional tools are included here for both initiators and implementers.

When we first began to put our work together in the mid 1980s, we saw an *evolution* taking place in the workplace. With the pressure and panic over change, rapid-fire redesign efforts, and

downsizing, and the fear and anxiety these events have brought to managers, that evolution has become a *revolution*. We have seen it, felt it, lived it, and not least, reflected deeply upon it. It is as real as an earthquake and vivid as the sunrise. This book is our understanding of what that revolution means and how businesses can thrive by joining it.

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Our learning experience has been enhanced through our interactions and involvements with some significant colleagues and teachers, and a host of wonderful team and organizational people along the way. Notable in this regard are John Ravens of Ravens & Associates (U.K.); Colin Ingleton of Edinburgh University; Chris Argyris of Harvard University; Ken Bishop, Larry Frame, Wally Smith, and Ron Birdsong of Litton: Guidance and Control Systems; Sandra Kowen and David Porteus of GE Capital; Jack Zenger of Zenger-Miller; Keith Fulton, Larry Langston, Bruce Schmidt, Dave Godair, Jon Storbeck, and the many able warriors at Disney; Maury Jacques and George Boyadjieff at Varco International; and our associates Bill Martin and Gary Entwistle for their faith and encouragement over the years. We also give much thanks to organization development writer/consultant Richard Beckhard for his extensive review of our initial work and his recommendations. Major support and encouragement from Bill Hicks and Cedric Crocker of Jossey-Bass inspired and ignited us in this endeavor. And we offer our special appreciation to Winnie and Joan.

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Morris A. Graham is an established organizational psychologist, professor, consultant, and manager, and the president of Graham & Associates, an organization development and consulting firm. He has directed organization development projects and training both nationally and internationally, holding positions as a national director of the American Society of Training and Development's HRD-Consultancy Network, a manager in the London-based International Federation of Training and Development Organizations, and a consultant/trainer with the National Productivity Board of Singapore and the Zenger-Miller Training and Consulting Group. Graham has been a professor at the Scottish School of Business, Edinburgh University, and the Marriott School of Management, Brigham Young University, and was founder and director of the international organizational development program at Brigham Young University, Hawaii. Graham studied organizational development at Edinburgh University and received a Ph.D. degree (1974) in cross-cultural organizational psychology from the University of Arizona. His work has focused on developing and revitalizing team-based organizations into high-performance systems. He regularly delivers addresses to, conducts seminars for, and consults with major companies on how to design, implement, and coach horizontal work systems.

Melvin J. LeBaron is a prominent workplace coach and consultant. He is the founder of Mel LeBaron Learning Systems and president of Workable Workplace Systems and has worked with more than 200 business, industrial, and governmental organizations in five

countries, using innovative techniques for building work teams; motivating high-performance, creativity, and leadership; and providing people with the principles and skills to maintain new directions in life. LeBaron received his Ed.D. degree (1971) in administrative leadership from the University of Southern California (USC). For nineteen years, he served as a faculty member and administrator with the USC School of Public Administration, and he has also served as visiting faculty at eight colleges and universities. He also has been chief-of-party for a U.S. State Department management training program and mayor and city councilmember for Brea, California (where he lives). Artistic and innovative in his work, LeBaron is credited with having a particular talent for creating change in the workplace and for providing much needed principles and prescriptions for the complex workplace problems of today. The author of thirty-two publications, he currently focuses on integrating skills and artistry into the processes identified in this book.

The Horizontal Revolution

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Introduction: Revolutionary Change for Revolutionary Times

These are revolutionary times. Organizations are smashing and flattening their hierarchies, reengineering their key processes, and creating multifunctional teams that reach across departments to manage these processes. Horizontal revolutions are taking place everywhere in a new approach to survival in today's world of pervasive and relentless change, an approach that demands an intense focus on customer needs and superior process designs and executions, that assumes that knowledge and skills are domain specific and too complex to be nested within hierarchies, and that requires multifunctional teams to manage the new order of specialty coordination and work inventiveness.

A tacit acceptance of this horizontal revolution underlies all the corporate talk of pushing decision making down to the lowest possible level, driving out unnecessary work, paying people for results, and using horizontal teams to manage and improve core processes because these teams intensify focus and commitment, build core skills, spread knowledge to those who need it in order to perform, and deliver dramatic improvements in efficiency and speed.

We are not the prophets or even watchmen of this revolution but its missionaries, at a time when many organizations' reengineering-process redesign initiatives have floundered because leaders and managers lacked the appropriate redesign knowledge and artistry for crafting teams. Our text develops a framework for action, using teams as the building blocks crucial to accruing redesign's promised benefits. We describe how horizontal teams transform themselves into stewardships, thereby becoming the means to achieve sustainable

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process change and maintain organizational effectiveness. Drawing upon our actual experiences with hundreds of self-directed work teams and scores of horizontal initiatives, we show why some horizontal initiatives achieve success while others are still bumping up against their entrenched bureaucracies. We take a candid look at the challenges involved and provide hard-hitting practical suggestions and a prescriptive design for maturing individuals, teams, managers, and the organization as a whole through the four stages of the horizontal revolution: pioneering, settling-in, tilting, and transforming. Table I.1 outlines these stages and the characteristics you will see in each one. Table I.2 outlines the agendas of the horizontal revolution, describing goals in the areas of change, strategies, operations, policies, training, impact, challenges, benefits, and ownership.

We take a process view of horizontal functioning. That all work is part of a process is a fundamental principle of quality improvement. A process is a set of interrelated work activities characterized by specific inputs and value-added tasks that produce specific outputs. Processes range from how employees perform their daily work to end-to-end processes for developing, producing, and distributing products and services. They can be internal and/or external and/or cross-organizational. Management and the continuous improvement of processes is owned by teams that do not just make and do things but are skilled in handling whole tasks and processes. They are mini-enterprises or small business units that can range from order fulfillment to product development.

Reengineering, according to Hammer and Champy (1993, p. 32), is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed. As we stated in the preface, the relationship between reengineering and horizontal teaming is analogous to both going on a diet *and* keeping the weight off. Someone on a starvation diet may reach ideal leanness within a very short time. Yet, unless the dieter undergoes a fundamental change in behavior, all of that