

# Distributed Intelligence

Change is everybody's business.

Here's how to get people to  
take personal responsibility.

**I**n parts 1, 2, and 3 (November 2002 through January 2003) of this series on change leadership, McLagan described the challenge of change that organizations face (part 1); presented research-based conclusions on which practices lead to successful change (part 2); and detailed the emerging change-friendly organization (part 3). In this final article, McLagan takes a different tack and presents a case, based on 30 years of work and research on organizational change, for enrolling everyone in an organization to be change leaders and participants.

The world's research consistently supports an obvious point: For success with change, we have to focus on human as well as technical issues. We must bring the workforce along, engage people in the change, even let them influence its nature and direction. Even in capital-intensive manufacturing, it's an information world where creativity, knowledge management, personal initiative, productivity, and problem solving are pivotal to quality and competitive advan-

tage. Successful organizations go beyond brawn and compliance requirements; they engage the hearts and minds of their people in a conscious and deliberate alliance for success.

One term for what's now required is *distributed intelligence*. That occurs when everyone in an organization, regardless of role or level, proactively solves problems, makes decisions, and takes creative action as the need arises—without waiting to be told what to do. Distributed intelligence is a kind of active participation that occurs everywhere in the natural, technological, and social worlds.

Let me offer a few examples so as to create a mental model and practical ways to understand the importance of everyone's conscious participation in change. Examples of distributed intelligence occur everywhere in the natural world. For example, forests depend on birds to drop seeds. Seeds are buried by insects, which also eat away the hard shells that prevent growth. Seeds also depend on rain and fire to burst forth and grow. Each element reacts to conditions around it to

By Patricia A. McLagan

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play an active role in sustaining the life of the larger system.

It's the same way with the human body. The skin senses heat and cold and launches signals that enable the body to react. Lungs sense thinner air as we ascend mountains and launch a change in breathing patterns and other physiological reactions to keep oxygen flowing to the blood. Each body part senses, reacts, and adjusts in order to keep the larger system alive. Those reactions and adjustments occur with or without deliberate prodding or coordination from the executive center—the brain.

Distributed intelligence is also increasingly evident in the things we make. The skin of a Stealth plane, for example, senses its environment and adjusts its flight pattern to thwart radar and danger faster and more precisely than if there were only one detection and command center. The Internet is another, now classic, example of distributed intelligence. Individuals can access, route, create, and respond to anyone else on the Web without going through authority or translation hurdles. The Net re-creates itself every day through the actions of everyone who uses it, without a central controlling point. And intelligence is increasingly distributed in the social world. A striking example of acting with distributed intelligence is the behavior of the passengers on Flight 93 as they tried to thwart the hijackers. In organizations, employees who challenge questionable and illegal financial practices

are examples of distributed intelligence. Their quite appropriate behavior makes it clear that it isn't in the organization's best interests to abdicate thinking and proactivity only to people at the top. These days, many organizations are structured to optimize distributed intelligence. Alliances, networks, communities of practice, matrix structures, participative practices are all ways to draw more fully on the knowledge and creativity of more people in and around an organization.

A scientific explanation for all that as we and the universe evolve is that our interactions become more diverse and complex. That creates new kinds of problems, such as fast-spreading global diseases, globe-threatening weapons and substances, and globally interdependent economies. Those problems, in turn, require new kinds of solutions. We can't deal with today's more interdependent and complex problems using yesterday's methods, such as extensive reliance on authoritarian decisions and actions. A few people strategized and commanded, while others followed orders and took action. Now, such assumptions interfere with the sensing, responsiveness, and creativity that are key to high performance and survival. That's true for world as well as national bodies. It's true for churches and civic groups. And it's true for work institutions in all sectors.

Further, supervision and highly centralized decision making often breed excessive bureaucracies, dependency,

distortion, lack of ownership, and resistance. The alternative is to unleash as much energy and knowledge as possible toward setting and living your organization's mission. That's more achievable when people take more thoughtful, adaptive, and creative action on the job—when they make the business and needed changes their business as well. Making change everybody's business is the responsibility of managers and individual workers. It requires new beliefs about change, responsible stances of character, and the development of self-management-related competencies.

## New beliefs about change

Approaches and attitudes toward change reflect our beliefs about how things do and should work. For many of us, these beliefs assume that the world and organizations are stable, controllable, and rational. Within that stability-oriented world view, change is a temporary aberration from normalcy. Within that world view, we expect change to proceed in logical and predictable steps and stages. Resistance is to be overcome, and commitment happens when a change is a sure thing. Within that stability-oriented world view, we expect leaders to competently and surely drive changes, and we expect followers to fall in line. We avert our eyes from change hoping that when we look back, the disruption and anxiety will be over and we can get on with unfettered lives.

But as we all know, stability is often the aberration these days. We and the institutions around us are continually changing. The beliefs driving our behaviors must help us and our institutions thrive with change. Just believing that change is normal and ongoing can help all of us function better. The expectation that change is normal fits our current reality. Thus, we aren't thrown off guard or disappointed that the world isn't as it once was.

Another important new belief relates to resistance. Rather than being some-

thing to overcome, resistance is an important part of the dynamic of change. It helps test and hone changes so that what ultimately happens is often better than the initial change idea. Resistance also may tell the people who are resisting to wake up and pay attention: Something important and new is happening that may require you to adapt, create, and respond. Resistance may be a signal to take a stand; our own or others' resistance may help stop or improve a poor or bad change. We can all think of changes in the past that we or others, as workers and as citizens, should have resisted.

The changing world also benefits from new beliefs about leaders and followers. We can expect leaders to be committed to the changes they sponsor. But it is unfair to expect leaders to be perfect role models during the process of change. They, like everyone else, need time to learn and grow during the throes of change. Likewise, we must stop seeing followers as objects of change to be manipulated or intimidated to take new roles and actions. Someone once said, "If you want to shut down an organization, the best way is for people to stop working. The second best way is for everyone to just follow the rules." People who do the work are far from passive players and pawns. The reality is that, regardless of the stated strategy of an enterprise, what people do every day becomes the actual strategy. In the course of daily work, everybody doing that work shapes, diverts, enables, accelerates, expands, and sometimes—yes—even thwarts change. People who do the work are inevitable and undeniable partners in change. That's a fact we must live with and turn to our advantage.

Our beliefs about change, regardless of our role or position in our organizations, create the psychological foundation for every change and for the process of change. The challenge is to update our beliefs so they help us deal more effectively with the continually changing, interde-

pendent, and complex knowledge world evolving with and around us.

### A call for character

Many people feel powerless—one of billions of people in an increasingly crowded world or a cog in their organization's wheel. In reality, individuals have unprecedented power. They can choose to spread human and computer viruses, take down buildings, communicate globally or influence changes in themselves, their relationships, and their organizations. Credible sociological and psychological theories proclaim the power of individuals. One such theory asserts that the best way to prevent global terror and war is to resolve the micro-level conflicts within ourselves, in our families, and at work. The idea is that the way the smallest units behave becomes the way the largest units operate. Every big change starts with a little one. As long as parents abuse children, bosses abuse staff, and workers take refuge in blaming and dependency, our larger institutions and the world will exhibit those same behaviors.

From another perspective, sociologists say that when about 5 percent of a population actively supports a movement, the change becomes inevitable. Political change in South Africa, for example, relied heavily on courageous actions over time by a few people. It became inevitable as business leaders, union advocates, and activists in and outside government took stands.

Technical innovations such as the Internet and PC show the same adoption pattern. A few people advocate something new, they gather additional committed support, and at some point—Malcolm Gladwell calls it the "tipping point," physicists call it "critical mass"—the change becomes mainstream. It all begins with the commitment of a few people.

Courageous action is often driven by character, and character may matter more now than ever. Powerful institutions and their momentum can freeze us in place or

carry us in directions that may not be in the best interests of our organization, stakeholders, or collective futures. Scandals in public and private sectors everywhere in the world attest to that. How often breeches of trust may have occurred in the less-transparent past before the days of omnipresent media isn't the issue. The issue is the need for all of us to take stands, be conscious of our own beliefs and ethics, and assume some responsibility for our institutions and their behavior. Some courageous people took stands in important ways recently, exposing corruption and ineptness in government institutions and corporate executive offices. In smaller ways every day at work, people of character make decisions for the best interests of their organization and its employees and customers—even when that jeopardizes their jobs.

Organizations need people of character—people who think about the broader consequences and impact of actions, people who keep the long view. They're aware and thoughtful in their intent. They champion values in decision making. They recognize and use emotions and their guts to tell them when they or their organization is on the right or wrong path. Character and consciousness about values are ballast for change. Fostering those in ourselves and in others helps make change everybody's business and moves beyond blocking change to being a powerful driver for success.

### The need for new competencies

Most people who work grew up in families and school systems that prepared them for a different world—for a more manual-labor, production-line world. Even people with higher education for knowledge work are ill prepared to succeed under conditions of instability and rapid change. There's a lot of talk and concern about leadership competencies for a world where change is constant, and there's the issue of follower, or worker,

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competencies. Leader and follower competencies are important when you acknowledge that change is everybody's business. Every worker must be a business. Everyone has suppliers, customers, deliverables. Operating as little businesses within a larger business leads people to a less insular and more systemic way of working. It also leads to more flexibility in the responses to changes in the needs of the people they serve.

There's a need for thriving skills in the knowledge environment. Everyone benefits if they can communicate, relate, and network. Relevant skills include problem solving and decision making. Whether we manage an executive board or work on the cleaning crew, we're better contributors when we recognize and solve problems and make good decisions when challenges arise.

In changing organizations and the world, everyone is also a continuous learner and a teacher. We can't assume that people above us in organizations are up-to-date on the work we do; we may have to teach them. We may also have to learn from colleagues, people who share our interests and specialties, or the people we lead. There are effective ways to do learning and teaching so that we don't waste time and founder.

There are additional competencies that everyone needs for success, including

those related to understanding what makes organizations effective and productive. If the people who do the work don't appreciate or can't understand a financial statement, how can they be knowledgeable partners for change? I learned that lesson years ago when we implemented a profit-sharing plan in my little 30-person company. We had to teach everyone how to read and interpret the financials so that they could determine how they could contribute to bottom-line performance.

#### The big leadership challenge

This series of change articles has run the gamut. It has presented the findings from global research on change and looked at the shocking record of failures for planned organizational changes. We've explored the practices that come up again and again in successful change initiatives. We've moved into the emerging territory of the change-friendly organization—examining what research is beginning to tell us about organizations that treat change as an ongoing dynamic in everyday life.

In this final article, we made a leap beyond research and into the deeper, more subjective, and somewhat speculative heart of change. I made a case for change being everybody's business—not just the business of people in the executive offices of public and private enterprises, whether

elected or appointed. Rather, I envision responsible and conscious involvement by everyone whatever his or her job may be.

It's clear in the world's research on change that people throughout organizations are a key force in change. What's not so clear is what that means for policy and for actions by people who control resources and formal power. Formal leaders can use their power and resources to control, manipulate, and foster dependent behavior in the people they lead. Or leaders can use power and resources to help people throughout their organizations become more responsible and competent players in a game they already influence and maybe even control.

The challenges and opportunities for leaders are exciting, scary, and ripe. I am convinced that, even though we have much to learn about change, the secrets and roadmaps for success are to be found in this four-part series. I'm also convinced that we can unleash and focus the power and responsibility of everyone in an organization, of everyone in society. And I'm convinced that improving how we deal with change will help us realize the potential of our organizations and, ultimately, optimize the life, consciousness, and resources we've been given in this obviously interdependent world. I hope you feel the same way. TD

*Patricia A. McLagan is chairman of McLagan International, based in Washington, D.C. She's the author or co-author of many books and articles on management, change, and organization effectiveness, including the newly released Change Is Everybody's Business. McLagan also publishes a series of research-to-practice reports, the RITEstuff Reports, and is co-host of the Internet radio show, The Changing World of Work; [thechangingworldofwork.com](http://thechangingworldofwork.com). This series is based, in part, on her global research reported in "Success With Change: Lessons From the World's Research." The full report is available for purchase at [mclaganinternational.com](http://mclaganinternational.com).*