

### Evolve! Succeeding in the Digital Culture of Tomorrow

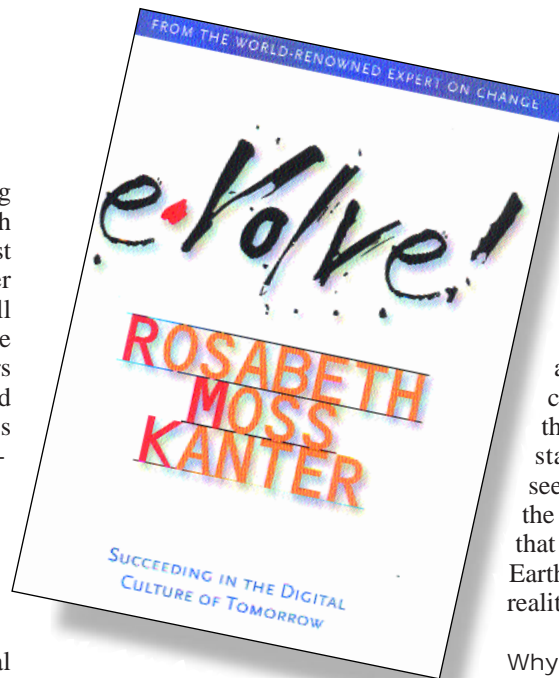
By Rosabeth Moss Kanter

If you are still hesitant about getting your business on the Web, Rosabeth Moss Kanter wants to help. In her latest book, *Evolve!*, Kanter presents insider stories and lessons from companies all along the Net spectrum: dot.coms (pure Internet companies), dot.com enablers (technology and service providers), and “wannadots” (traditional companies struggling to embrace the Net). Responding to the following questions, Kanter introduces us to the excitement of e-culture and encourages us to join the community or be left behind.

What is e-culture? E-culture represents the human side of the global information era—what I call the “heart and soul” of the New Economy. It’s a new way of life that is both stimulated (made necessary) and facilitated (made possible) by the World Wide Web. It’s founded on human relationships, networks, and communities—not just on technology.

In your view, is e-culture really about combining the best of both worlds—the Old Economy and the New? The so-called New Economy is certainly built on Old Economy roots. The young may be disproportionately represented in the dot.com universe, they may have a distinctive style, and they may even have fresh new knowledge to teach their elders. But reverse mentoring doesn’t wipe out the traditional kind. Success in the New Economy stems from some of the same values and management lessons as success in the Old Economy.

Many believe that the young may be the only ones capable of moving as swiftly and dealing as constantly with change as our new world requires. You think differently. The belief has long been that senior citizens were among the groups last to the Web. But my study revealed that people in their 60s and beyond have embraced e-culture both enthusiastically and effectively. One good example is Mary Kay Inc. Long-time vice chairman Richard Bartlett is 65, and he was among those



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that led the charge to the Internet for this formerly territory-based cosmetics company. What our youth do bring to e-culture are energy, passion, and rejuvenation. They’ve undeniably created a new workplace style and culture. But style without substance is doomed to failure. The young have a lot to learn from their elders—things like discipline, experience, and values. There’s something to be learned in both directions.

In your book you use the children’s classics *Alice in Wonderland* and *Through the Looking Glass* as an analogy for our new digital world. Can you give an example? On the Internet, a small company can look like a giant corporation, while large companies can be reduced to mere midgets on-screen. It’s reminiscent of the scene in *Alice in Wonderland* where Tweedle Dee and Tweedle Dum take Alice to a house with one door labeled “the world’s smallest giant” and the opposite one marked “the world’s largest midget.”

It’s the same thing, simply viewed from different angles. That’s how I’ve come to think about the Internet. Depending on the angle, it’s both friend and foe, tool and driver, death threat and fountain of youth.

Isn’t it also part fantasy and part reality? The recent and abrupt end of the dot.com boom has certainly shown that. We marveled at the heights attained by these online startups, whose stock valuations seemed to rise in exact proportion to the rate at which they lost money. Now that the dot.coms have fallen back to Earth, we’re finally dealing with the reality.

Why is *Evolve!* so upbeat when the dot.coms are so down? In the book, I talk a lot about the fact that many youthful dot.coms were doomed to fail from the start. That’s because most of them were based mostly on fantasy (all style and no substance). But while the dot.com frenzy has died, the Internet is here to stay. And it’s transforming life in all organizations, even those that do not have a dot in their name. *Evolve!* is not about having a Website; it’s about leading, learning, and living with a new tool that can help individuals and organizations become more productive—if they embrace the culture of tomorrow.

While many pundits have argued that the Web is fundamentally new and different, you say that cyberspace is “full of reinvented wheels.” Can you explain? There’s no question that the technology is revolutionary, network economics are different, and all the wheels must turn a lot faster. But what many hype-driven proclamations overlook is the fact that the problems of leadership, organization, and change that today’s leaders face are similar to those we’ve experienced for decades. So, even though this book breaks new ground in examining a set of big new challenges, it also rests on a foundation of enduring truths about people and organizations.

Let’s talk about some of the findings from your research. What was the biggest problem with the way most

wannadots have tried to conduct business through the Web? Many traditional firms think that superficial additions, with no change in how the company operates, can produce Internet success. But a company isn't transformed simply because it creates a Website. That might be only a cosmetic change—what has been referred to as “putting lipstick on a bulldog.” Success requires a more complete makeover—namely, rethinking the model for how to organize the work of the whole organization.

So, interestingly, the biggest challenges to success in the digital age are human ones, not technological ones. That's what e-culture is all about—the human relationships that make organizations work. And whereas dot.coms are born to an Internet style that naturally values networks and community, wannadots have to morph into it. That's why leadership offline doesn't predict innovation in cyberspace. The transition is tough, even for the best of companies. Success requires a systemic change, a shift in the organizational way of life. That's the chore that's hardest for wannadots.

What is the I-Paradox? Internet propositions scream, “Me, Me, Me.” Mytown, myhealth, mycar, mydog—everywhere you look, online implies customization and individualism. Yet, rampant individualism destroys the potential to derive economic value from the technology. When members of a community don't cooperate, the network itself slows down. Too many ideas, unchanneled by a common theme, impede innovation and invite time-wasting, energy-draining conflict. The worst of individualism involves isolation and separatism that are dysfunctional for the wired world. The best of individualism involves strong individuals with a strong sense of responsibility to others in their community.

“Community” is often still thought of as a “soft” term in business. Yet, you argue that it is through community that today's organizations will derive the most value. As an integrating force, the Internet makes it urgent to present one face to the customer, link separate systems for seamless connection, and meet the demand outside and inside the organization for

full connectivity. Companies can't accomplish this just with technology, they can only do it with people—what I call “individuals in community.” But it's important to distinguish community as a label from the underlying principles that make community integral to e-culture: sharing of knowledge, mutual contributions, smooth coordination, easy border crossing, and responsibility for a shared fate. The kind of community I'm talking about involves community as an organizing principle, as an emotional and operational reality.

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What about organizations that don't really deal with technology—and so don't think the Internet applies to them? I have two phrases for them: “word of mouse” and the “online whine.” The first—word of mouse—has to do with the fact that bad news travels faster than good, especially on the Web. Even if an organization or company isn't online, you can bet that the consumers who come in contact with them are. A tale of one bad experience can reach millions of people with the click of a mouse.

The second phrase—the online whine—is also related to the Internet's role in empowering consumers. Now, a single individual can literally take on a huge corporation, and a whole new breed of online companies is rising to help people do it. Bitchaboutit.com promises to help resolve complaints for a community of people seeking better service, better government, or even better behavior. Planetfeedback.com and other sites like it offer complaint-resolution services that empower consumers (for free) and inform companies (for a price). The very existence of these sites guarantees that more consumers will complain more often, and companies and organizations had better be prepared to respond.

What about concerns over the so-called “Digital Divide”—the fact that people in poor neighborhoods and less-developed countries lack access to computers and the Internet and thus may fall further behind? The problem is not the Digital Divide, but the Social Divide—the fact that some people live in an environment that doesn't develop the intellectual and social skills to work collaboratively with others. After all, it's not very complicated to figure out how to put computers and network connections everywhere. Between public subsidies and private donations, facilitated by falling prices, I've no doubt that we'll get devices into every nook and cranny.

There's an amusing line in your book—“Hermits with Internet access will not take over the world”—that addresses a not-so-funny fear many people have about technology. Ultimately, what place does the Web hold in our increasingly digital future? The Web is a great facilitator, enhancer, and multiplier, but it's not a substitute for personal relationships. Being virtual is like having a battery that runs down after a while if it isn't recharged by being plugged into real people. The Internet enables distance communication among faceless crowds and anonymous audiences who can post messages, get the information or product they want, and disappear without any human intervention or interaction. But—and here's the irony—the companies behind the explosion of the Internet work best through face-to-face relationships at vital moments. Think of that! A technology that apparently makes place and face irrelevant is best built and deployed in a context rich with human relationships. That's what e-culture is all about—powerful, committed, individuals in community discovering ways to use technology to make work and life better for all of us.

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