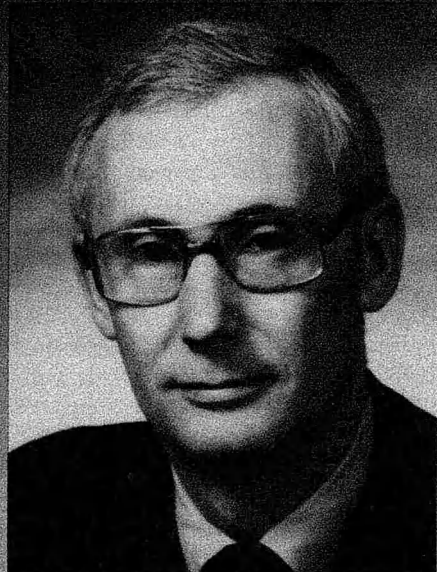




# MANAGING THE WHITE SPACE: *The Work of* GEARY RUMMLER

In his consulting practice, Geary Rummler uses the same model that he and his colleagues developed at the University of Michigan in the 1960s. He's proud of its longevity and has changed it relatively little in three decades.

"In the last 10 years, I've been using it a new way. Instead of dropping it on the organization and then departing, I teach the model to managers so that they can be their own consultants."

Perhaps its best-known applica-

tion is at Motorola, where it has been a template for organizing work for at least 10 years. Its use there proves one thing about Rummler's model: it works.

Named "Organizations as Systems," the model is based on systems theory. Its framework, though refined somewhat by 30 years of use, is unchanged. But the tools that Rummler provides for implementing the model evolve continually.

Its basic premise is that organizations must take a new view of them-

selves. They must learn to see and then to manage what Rummler calls the white space on the organization chart—the uncharted ways that work really gets done.

"The classic way to picture an organization is to show many independent functions, usually a hierarchy of boxes or circles," he explains. "The organization chart shows relationships and presumed accountability. It is an important dimension, but it is only one view."

"The problem is that with this view, management begins to evolve as a set of independent functions. The boss spends more and more time with each function, setting goals independently, and measuring results independently. There's an awareness of high-level goals, like total customer satisfaction, but they're in the background, like distant thunder. Most managers aren't sure how the goals affect them or how they affect the goals, but they are very, very clear on what they have to do to get through the month, the quarter, and the year."

"All that, of course, leads to the phenomenon that Douglas Aircraft company calls 'functional silos,'" Rummler explains. "Other organizations have chimneys. Some have towers, and one client company told me they have foxholes."

"The net result of all this turfdom is that it gets harder and harder to move from A to B to C to the customer, who is conveniently not even in the picture of the organization."

"In 1973, the Buick division of General Motors tracked the sales performance of only two other cars in the world—Pontiac and Oldsmobile. That's an extreme but typical example of how boundaries are drawn in organizations."

"The whole thing is exacerbated by the American macho management style. When B is having trouble getting things over to C, the boss comes down to C and blows his stack. He follows a script that ends with 'and if you can't work things out, I'll find someone who can.'"

"The operating fantasy there is 'work it out.' My experience is that things don't get worked out. They get worked around. The attitude is 'lay low and this too shall pass.'"

"When the organization thinks about itself this way it doesn't have a chance of affecting such issues as quality, cycle time, and customer satisfaction," Rummler concludes.

### **Another view**

Rummler proposes that managers learn to see the organization as a system, to ask critical questions, to analyze their work processes, and to make their own recommendations.

"Managers need a better starting point for thinking about the organization. An alternative view is that they manage a complex processing system that exists to produce valuable products and services for the customer.

"It is important that the organization be wired together and managed in a way that allows it to be responsive to changes coming from the marketplace.

"Every business is an adaptive system. You adapt to your competition, your marketplace, and your geopolitical environment, or you die. To be able to adapt, you need two major forms of feedback. One is feedback about your internal specs. The other is feedback about customer expectations. And the feedback must be continuous or you will be history.

"It is also important to fade out functional boundaries and to look at how work really gets done. When you do that you see what we've known intuitively all along: Anything that touches the customer is the result of a myriad of complex cross-functional processes."

### **Get out of your silo**

"There is a horizontal organization buried in every company. If we are going to deliver better quality, better cycle time, and better customer satisfaction, we have to get those horizontal processes out in the open and begin to manage them."

The opportunities for improvement today are not in the little boxes on the organization chart, Rummler believes. They are between the boxes, where cycle time gets lost, where inventory builds up, and where costs go out of control. "In most companies, nobody is managing the spaces between the boxes. The horizontal organization is being

managed with a vertical mindset." (See Figure 1, on page 28, for diagrams of horizontal and vertical organizations.)

Rummler cites the implementation of quality as an example of a process that has run afoul of the silo syndrome. "Most organizations try to deploy quality down vertically, but the successful ones have identified the horizontal systems that link quality to the customer, and that discovery has unleashed enormous energy."

### **Wiring it right**

Rummler describes an organization as a classic black box—a complex processing system for getting work done. Inputs of capital, technology, raw materials, and human resources go in, and products or services come out to a market. He warns that it is critical to figure out how to wire that processing system together.

"While it's important to ask where the wiring may be broken, it is even more important to ask if it is the right wiring. Managers should be asking, 'Are we wired together appropriately in 1992 to respond to what is happening in our market?'"

"If it takes a company four years to get a product to market and the competition is doing it in 18 months, the company will be out of business unless it can shorten its product cycle. That's a significant rewiring challenge and very tough news for most management.

"Typically there is a denial stage followed by an interim stage, in which management tries to turbocharge the old wiring. Some interim behavior is to have the information-systems people generate more reports faster. Or managers say, 'Let's form teams, high-powered empowered teams.' These gorilla teams whip around the processes and try to get product to market faster.

"To really fix the organization, rewiring must be a strategic management imperative. You cannot delegate it to the bottom and you cannot rewire from the bottom up."

### **The framework**

Rummler's framework for high-performing firms has three levels: the organizational level, the process level, and the performer level.

The organizational level is the black box, the system that produces valued products and services for a marketplace. An important performance variable at this level is market strategy—which products to which markets. Another is structure, which ideally should support strategy. A third is measurement. What performance is being measured?

The process level refers to the myriad of cross-functional processes through which the organization produces its output. And the performer level refers to the individuals who perform the processes.

"Performance, regardless of its dimensions, is a function of these three highly interdependent levels in the organization. If we are going to affect performance, we have to affect all three levels. We can't keep pushing on just one and thinking that will do it.

"Here's what usually happens. A customer orders a part. It arrives six weeks late. When technicians try to install it, they discover it has been misassembled. The customer is a little steamed and wants to find out if he or she has been charged for this piece of junk. The invoice says yes, the customer has been charged, but incorrectly. 0 for 3.

"At this point the customer is looking for other suppliers, and management is looking for someone to blame. It's easy to find somebody who screwed up, starting with the person at the shipping dock who sent out the piece of junk in the first place.

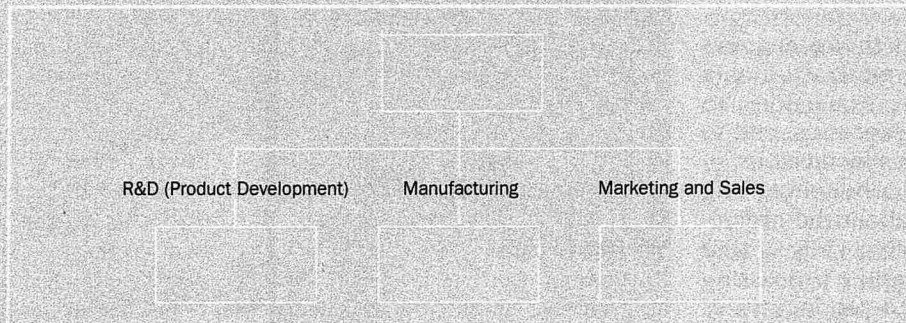
"There will be no shortage of things to look for and to improve. Management may decide the company needs a new selection system or a better incentive system. Unfortunately, in most organizations, quality analysis and quality improvement starts and stops right there at the performer level.

"The assumption, 'if we fix all the performers, we fix quality' is absolutely nonsense. It doesn't pass the common sense test, because no performer can be any better than the processes he or she must work with."

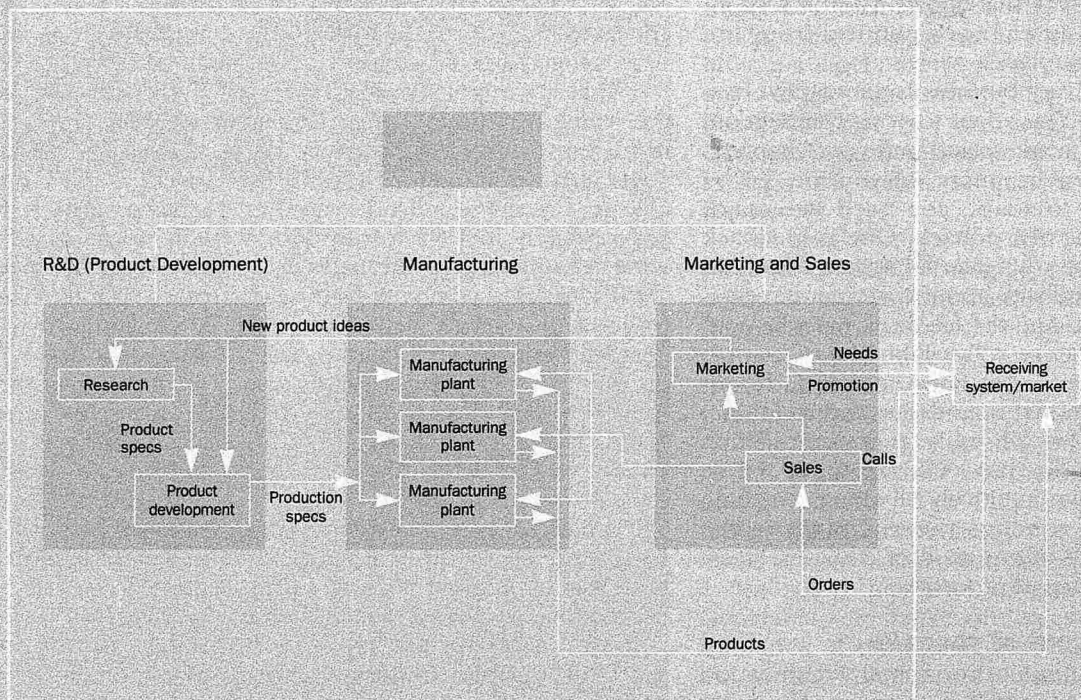
The existence of faulty processes can be hidden by what Rummler calls organizational heroics. "That's

**FIGURE 1**  
**Two Views of an Organization**

**Traditional (Vertical) View**



**Systems (Horizontal) View**



Copyright 1992, The Rummler-Brache Group

when the team of six people went without sleep for 72 hours to assemble, hand paint, and carry the product on their backs across three state lines to install it on the customer's premises by 7:30 Monday morning. Or the 22 people who went down to the barn and nine months later came out with a product that everyone thought would take four years to develop.

"I know you can't run an organi-

zation without some organizational heroics, but there is a thin and invisible line between using them to bail you out and letting them mask what is wrong with your processes."

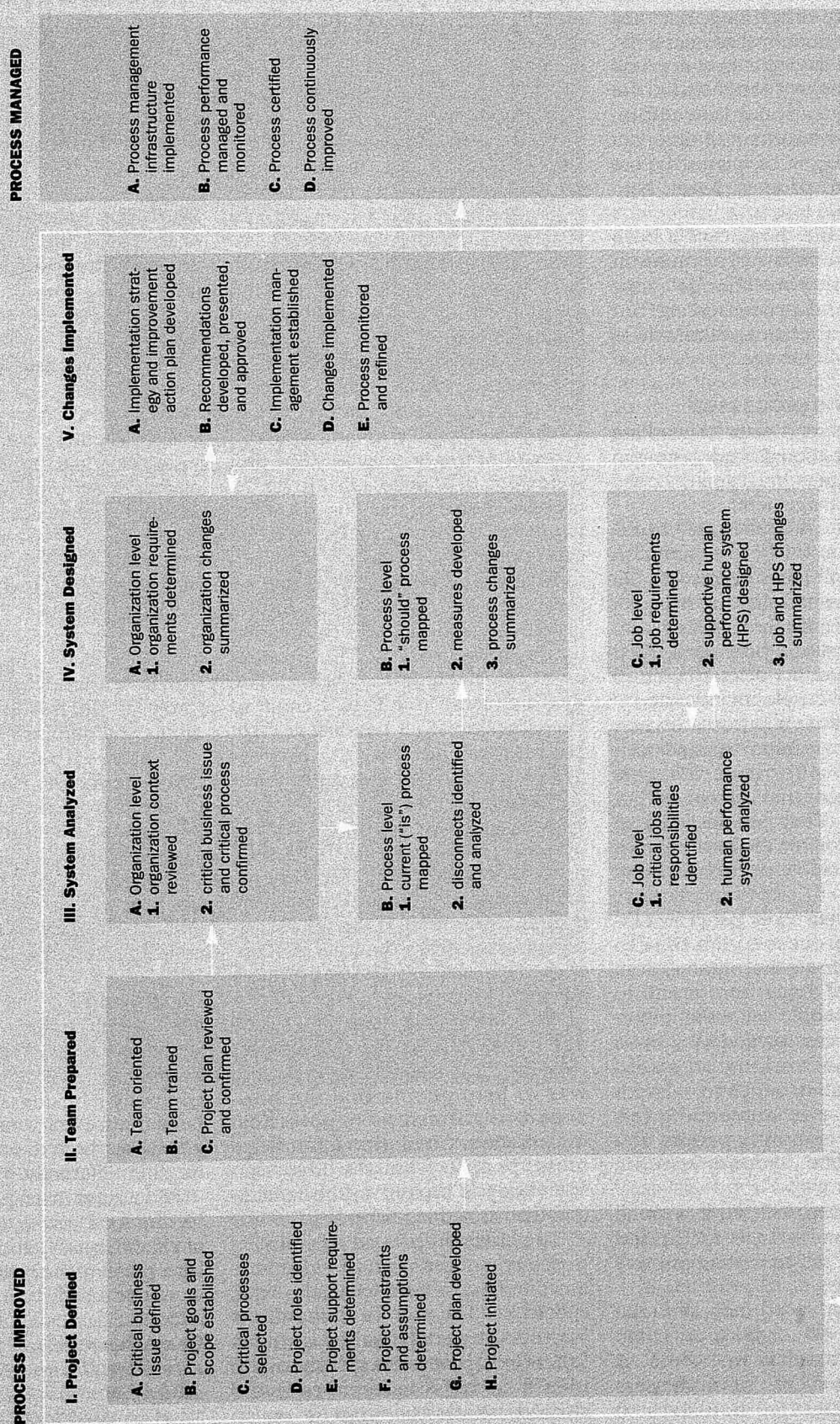
At the organization level, it is important to ask if structure supports strategy. Also important is the measurement system. "Does our measurement system say that quality is 'job one' on 27 days of the month, and the last three days you ship junk

because that's the way the cash register is wired up?

"In 25 years of consulting, I have never seen a performance problem that was a function of just one of the three levels. It is vitally important to understand the total context of a problem and what we need to be managing."

Launching new programs is another activity that can misfire if all three levels are not considered. Most

**FIGURE 2**  
**Process Improvement and Management Sequence**



Copyright 1992, The Rummler-Brache Group

new programs start from the top with plenty of hype. They even include plenty of training, but they don't go far enough, Rummler says. "We train the daylight out of everybody. Two days seems to be the universal educational inoculation period. Then we run out of time, out of money, and out of interest before we get to the process level. And that's where we lose it."

"Processes are the guts of a business, and there is no permanent change until you change your processes. And processes are but one of several critical dimensions that bring about change."

### Improving the processes

On Rummler's road map for working with cross-functional work teams to improve process performance, the first step is management.

"The business unit must understand what it is trying to accomplish and how it will measure results. We usually recommend that the management team identify three to five critical cross-functional processes, such as reducing product delivery time or shortening the development cycle."

"We designate a process owner. That's a senior person charged with seeing that the process gets improved and that changes get implemented. That person will also continually monitor the performance of the process once it has been improved."

"Once you have key people working on key processes, it's time to introduce them to the organization. One benefit of going from macro to micro is that people value the importance of a process owned by a boss. And they'll be working on a sub-process that contributes to a larger goal. This way of proceeding lets management empower people at a particular time around specific things."

The road map will work with all types of teams—large facilitated teams or small self-facilitating teams—and at all levels.

Traveling the road map can take as much as 90 days, but some groups are faster than others. A Motorola team of 12 managers worked for just five half-days to come up with recommendations for

their senior vice-president. Then they changed their processes in three months. Cycle time on the delivery of exotic chips went from 17 weeks to three weeks.

### The components

The starting point in the process improvement and management sequence is to define three to five critical processes driven by the strategic operating plan. (See Figure 2, on page 29.) Teams will fall apart, says Rummler, if they are working on something less than a critical business issue.

Next comes the identification of project roles for the process design team. This is usually a group of 12 to 18 people who will analyze the process being improved and then redesign it. There should be a process owner, as mentioned earlier, who sees that the process actually gets improved.

Finally, a steering team should be formed, made up of heavy hitters from every silo that will be affected by the new process. The process owner will chair that team. The steering team's role is to commit to implementing all of the changes that are recommended by the process design team. "It's big-time buy in," says Rummler.

The steering team is trained before it moves any further in the process improvement and management sequence. To understand the organization as it is currently put together, the team draws a relationship map of the organization as a system.

"A relationship map is a fancy name for a flowchart," Rummler explains. "It is a simple but powerful way to help people find the horizontal relationships in a vertical organization. Going through it helps move people from the idea that somebody is broken to the realization that something is broken."

The next step is to examine a process, such as quality or cycle time, and move from what is to what should be. The tool for doing this is another flowchart, called a cross-functional process map. The main idea is to be sure everyone who should be on the map is on it, including customers.

When everyone agrees that the "is" process is completely described on the map, the group begins to look for "disconnects," or places where the process breaks down. Rummler says some groups find as many as 100 disconnects in a process, and that it is necessary to set priorities.

### On to the "shoulds"

At this point the design team checks with the steering team to be sure things are going in the right direction. Then, in two-day sessions, the design team comes up with a "should" process, an outline for a new process.

The next part of the work involves figuring out how the organization needs to be changed to support the new process, and how jobs should be changed. The design team creates a set of recommendations for changes at the organization level, the process level, and the performer level.

To help people figure out how jobs should be changed, Rummler provides a model that puts the performer in the middle of a process of inputs and outputs.

"The idea behind the model is that a performer is one component of a human performance system. All performance will be determined by six variables: specifications of the performance, task support, consequences of performance, feedback, and a performer's knowledge, skill, and capacity," says Rummler.

### An HR role?

For the HR person seeking a role in a change process of this nature, Rummler recommends knowing the company's business cold. That can be a platform for educating managers about how to look at their organization differently.

"Educating managers about how to see the total system, about how to set goals differently, about how to measure performance differently.... That would be a major contribution." ■

**Geary Rummler** is a principal of *The Rummler Group*. Reach him at 50 Mount Bethel Road, Box 4537, Warren, NJ 07060-4537. (Reported by Patricia A. Galagan.)