Processes, cohesiveness and flexibility

An empirical case study of a renewal process

contact pb.om@cbs.dk

This article is written by phd Peter Beyer, who is employed at Copenhagen Business School. It has previously been published in Danish four times:

1. In Beyer, Peter. " Når fornyelsens vand hentes fra den dybeste brønd": Økonomistyring & Informatik – 23. årgang 2007/2008 nr. 6

2. In Melander, Preben. Redaktør. "Lean med lederskab". Djøfs forlag. 2010

3. In Beyer, Peter. "Procesarbejde, sammenhængskraft og fleksibilitet" Afhandling, forskerskolen Limac, CBS, 2010

4. In Beyer, Peter. »Værdibaseret ledelse: Den ældste vin på den nyeste flaske«. Tredje udgave. Forlaget Thomson, 2010.

While earlier versions had focused on process organization the new English version is prepared for an international journal and will be complemented with actor-based leadership. The process organization as described in the article was designed and implemented by CEO Niels Korsholm.

Contact:
niels.korsholm@devoteam.com, mobile: +45 4073 5647

In 2004 Niels Korsholm created and implemented the process and role based organisation described in the above case. Niels Korsholm was managing partner for the Danish entity (Devoteam Consulting A/S) from 1992 until the end of 2006 when he was promoted group head of Devoteam Consulting. Niels Korsholm has 25+ years of experience as a Management Consultant in the crossroads between Business and Information Technology, with focus on Strategy, Change projects and implementation of new Information Technology. Niels has been with the company for more than 20 years. Over the years he has been responsible for developing many of Devoteam Consultings new Business Concepts, also including Employee and Organizational Development, Career Development Programmes, Knowledge Management, Client Satisfaction and Management Reporting. Before Devoteam Niels Korsholm worked at Accenture in UK and in Scandinavia.

Since 2007, Niels Korsholm, has been Group Vice President and Executive Board member of Devoteam Group (4500 employees in 25 countries) with headquarters in Paris. Niels Korsholm is head of Consulting with offices in 15 countries. He has a Masters Degree in Computer Science from the Technical University of Denmark (1982).

1. Drawing the water of renewal from the deepest well

When process organizing is used as a lever to unleash energy and initiative, and when management becomes participants in self-organizing processes

By Peter Beyer

The case is one of four cases of a phd. project. The project aims to explore how process work can be implemented so as to create ownership to solutions, and so it leads to organizational cohesiveness and flexibility. The case is from 2006.
The description is based on a series of qualitative interviews supported by a review of organizational documents and followed by reflective workshops. The organization is a consulting firm.
The case is process organizing introduced in order to delegate more decisions to employees. It has initially created energy and job satisfaction, but the result has been new demands to management.
The case shows that it is possible to create good organizational performance by combine process organization, transparency and self-management, but also that this makes special demands on leadership and organizational learning.

1.1. A Case Study

In the following case study, self-management and process organisation were implemented with the aim of introducing a degree of employee autonomy within decision making. The first phase created increased energy and satisfaction, but the outcome has resulted in new demands on management.

The case study reveals that it is possible to generate good organisational results by combining process organisation, transparency and self-management, but that it also creates special requirements in terms of management style and organisational learning.

The case company is Devoteam, an independent consultancy that advises on the use of IT and telecommunications. I have followed this company for quite some time and have enjoyed extensive access to the employees and the materials needed for this case study.

The company was founded in Denmark in 1978, and is today part of a French group of 4500 employees with offices in 25 countries. The Danish subsidiary has approx. 140 staff members. The description given in this case study represents the situation as it stood in 2006.

The new solution was implemented in 2004

In 2004 Devoteam introduced a new organisational structure which moved from traditional partner-based consultancy divided into separate business units to what newspaper headlines have since termed the "titleless organisation" based on process optimisation and extended delegation of management and decision making competences in the shape of a series of roles. Employees are given the opportunity to select their own roles, managers, etc.

The impetus for this change was the desire to unleash initiative and vitality within the organisation as well as to create an organisation that, through the wide distribution of leadership roles, stimulated constant growth of both the business and the employees themselves.

Visible progress has been made

Devoteam has enjoyed explosive growth over the past few years. In 2005 the company achieved a 20% increase in turnover up 24% from 2004, and in 2006 turnover increased by 33% and profits by 89% compared with 2005. Within the last 14 months, the company has hired 40 new employees.

The turning point, as the organisation sees it, took place in November 2004 when a new organisational structure was presented and then implemented.

Total figures for the period ranging from 2005 to 2006 were as follows: growth in turnover = 160%, growth in consultants = 156% and growth in profits = 230%

Number of employees

Growth in employee numbers per quarter

Seen from the outside, Devoteam is a success story. The company can demonstrate increasing efficiency as well as a marked rise in job satisfaction.

The solution stimulated a rush of headlines

The new organisation also inspired articles in Danish financial dailies such as "Mandag Morgen", "Børsen" and others. These articles highlighted the messages that the new organisation pre-

sented to its employees; messages that are still distributed widely across the organisation.

- An organisation that does not use titles internally.
- Employees can request their own managers.
- The organisational structure is based on a wide range of roles and tasks revised once a year.
- Roles are defined through self-management, goals are determined in a dialogue between management and role-holders.
- Decision making authority and budgets are allocated to the role-holders.
- Daily processes are carried out in accordance with a minimalistic rule set. The expectation is that the employees have the ability to handle responsibility without rules. The message is clear: "We believe in our employees".

Devoteam's success raises some interesting questions:

1. Are we dealing with process organisation?
2. How is management organised?
3. Has the new organisational structure led to greater cohesion?
4. Has the new organisational structure led to greater flexibility?
5. To what extent have the expected qualitative and quantitative effects of the solution been achieved?
6. Is the success of the solution attributable to a healthy market and other factors that could be classified as lucky coincidences?
7. Is the success of the solution attributable to radical new thinking and specific management initiatives, as the articles imply?
8. Are there any deeper and underlying mechanisms that would hinder the Devoteam success being exported to other businesses?

1.2. Organisational learning

With value-based management, it is possible to raise visibility of the organisation's official theory of action, thereby supporting a process by which employee views can be brought into increased alignment.

Argyris and Schön's theory of organisational learning views the organisation as a social system consisting of people who interact with one another. This interaction must be characterised by reflection and dialogue.

Organisational learning is based on employees changing their image of the organisation, the way that they solve problems, and learning through both their mistakes and their successes.

Corrected via
communication,
interaction and
organisational
investigation

Argyris & Schön suggest that each member of an organisation constructs his or her own representation or image of the theory-in-use of the whole. This image is always incomplete, even though people are continually working to add pieces and to get a view of the whole.

An organisation can thus be perceived as a kind of organism each of whose cells contains a particular, partial, changing image of itself in relation to the whole. Organisational learning is examined by looking at how these pieces are organised into a total picture.

The focus for Argyris and Schön has been on exploring how organisations can increase their potential for double loop learning – their capacity for modifying and adjusting goals, values, hypotheses and strategies. Furthermore, Argyris and Schön maintain that:

Single loop learning takes place when goals, values, frameworks, and to a certain extent, strategies are taken for granted and operationalised.

With traditional process work, the organisation's official action strategy is clearly defined while governing variables are rarely stated explicitly.
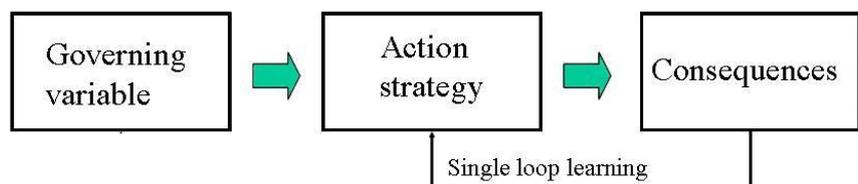
Figure: Single loop learning

When single loop learning exists it is often because the organisation is characterised by the following governing values.

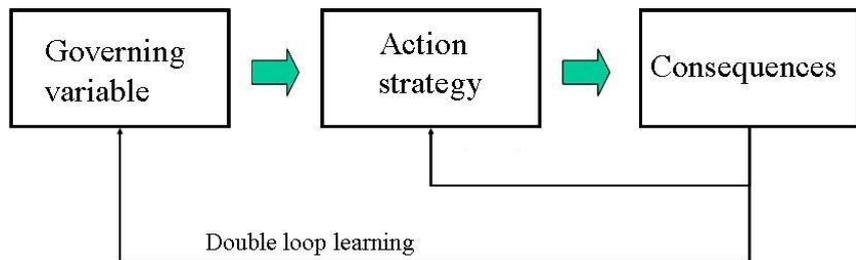| Governing values	Action strategy	Consequences
Achieve the purpose as defined by the actor	Control environment unilaterally	Self-fulfilling prophecy
Win, do not lose	Control task unilaterally	Defensive relationships
Suppress negative feelings	Protect self unilaterally	Defensive norms
Emphasise rationality	Protect others unilaterally	Low commitment

Whereas organisational double loop learning is characterised by:

Figure: Double loop learning

Model 2 demonstrates very different "governing values"

Governing values	Action strategy	Consequences
Valid information	Participation in design and implementation of action	Surfacing conflicting view
Free and informed choice	Sharing control	Flexible relationships
Internal commitment	Recognition from others	Encouraging public testing of evaluations
Openness	Protecting each other	High commitment

The organisational culture, values and management style thus are decisive to the organisation's capacity for double loop learning.

1.2.1. Background and key issues

I perceive Devoteam's new organisational structure as an offer made to both management and employees. It is an offer with the following fundamental content: *"If we organise ourselves in this way, we should be able to work together to develop both ourselves and the organisation"*. The following questions will be examined:

- Does the new organisational structure make sense to the employees? Do they embrace the offer?

- Does the new organisational structure adhere to the requirements of the learning theory? Is the organisational structure

framed in such a way that it is easy to form an overall view? Is it easier for us to connect cause and effect in time and space?

- Does the culture meet the requirements of double loop learning? Is the interaction between employees of the required level of quality?

- Have the changes resulted in concrete results in practice? What has been learned? Where have approaches been changed (action strategy), and where have attitudes been changed (governing variables)?

1.2.2. Primary definitions

The following term definitions are important for understanding this case study.

Term	Definition
Process	A process is a chain of activities. There are not necessarily always input-output relationships between activities in the chain. The process is what takes place and it involves a focus on when it takes place. Processes are a sequence of events in time.
Structure	Structuring focuses on what happens before the activity takes place. Structure can make certain activities more likely to happen than others.
Process management	The idea of treating an organisation / business as a system *(see: Rummler & Brache)*
Organisation	Organising resources within the organisation to best effect in order to achieve goals. To create the greatest possible synergy between resources and activities.
Process organisation	Characterised by the focus on processes as a whole rather than individual tasks, i.e. a focus on the system in its entirety.
What occurs as a whole	Can be characterised by one of the following three models: • Value chain • Value shop • Value network
Business process in a value shop	In a value shop, the business process is characterised by: • Start: a customer has a problem • Choice of problem solution • Conclusion: the problem is solved At Devoteam, business processes are the specific projects that are implemented.
Ownership	Integration of feelings, attitudes, and willingness to participate.

Cohesion	Defined as consisting of two dimensions: <u>Emotional cohesion</u> refers to the connection felt between employees and towards the group as a whole. <u>Instrumental/Task-related cohesion</u> is the group's ability to work together to achieve common goals quickly and effectively as a unit.
Flexibility	The capacity to achieve organisational double loop learning.
Organisational learning	Organisational learning involves employees changing their view of the organisation and the way in which they solve problems and learn from both mistakes and successes.
Espoused theory	The theories, assumptions and expectations we express to ourselves and to others.
The actual action theory of the organisation (Theory-in-use)	The patterns behind our actions and behaviour, many of which we ourselves are unaware.
The official action theory of the organisation	Maps, organisational diagrams, job descriptions, etc.

1.3. Case description

1.3.1. Background

Don't drag out the pain

The lead-up to the change began with the new government taking power in 2001. The public sector cutbacks meant that Devoteam's market, along with many other consultancies, shrank by more than 30% in a relatively brief period of time. All of the warning signals were present in the third quarter of 2002.

Devoteam rapidly decided to cut costs and adjust to the new market conditions. Overheads and employee numbers were reduced, salaries were cut across the board, and hourly rates were lowered. These were drastic changes but they facilitated a quick return to competitiveness in a very tough market. 2003 was a record year in terms of turnover and profits.

Make time to pause for thought

The new market conditions generated a rethink of what customers wanted and what their future needs would consist of. A number of customers were interviewed, indicating three main challenges for the prospective consultancy services:

1. To reduce the customer's overall costs. Consultant efforts must focus directly on the customer's bottom line.
2. To help the customers run their businesses more effectively in future. To advise the customer on the most efficient use of IT even though it would mean fewer sales.
3. To do this in a trustworthy and equal relationship with the customers, not just as experts and at arm's length.

Many employees would need to change their "governing values". There was a clear need for double loop learning.

At Devoteam this led to the acknowledgement that what customers needed could be found in the field of tension between pure technology consulting as offered in the IT business unit (T&S) and the management services as supplied by the management business unit (MIT). A need was indicated for combining offerings in new ways.

A collective picture was formed of the direction the company would need to embark upon. This picture revealed a shift in expectations towards employees.

FROM	TO
Technical specialist	Business knowledge
Focus on the task	Focus on customer relationship
Monolithic occupational culture	Pluralistic occupational culture
The task-solving hero	The task-generating hero
Fixed office space	Open office environment
Focus on operations	Focus on operations and development

The change as illustrated by from-to view

Despite the fact that numerous influential players at Devoteam were positive towards the idea of change, there were several serious barriers to overcome.

The company sales culture was not strong enough, and this became an area of focus. Professional salespeople were hired and monitored. When consultants were available it was expected that they would help with sales support. Meetings were held to exchange experiences on what worked and what didn't, and a learning curve was established with regard to sales.

Another challenge was in combining competencies and services in a way that was more attractive for the customers. The silos were still there but the cooperation between them was not sufficient. There was a great deal of underutilised potential which indicated the need for wider holistic thinking.

The question was: Could an organisational change create the dynamism the company needed? And if so, what would it look like?

1.3.2. The new solution

The company was seeking much greater cross-organisational cooperation and thus broader professional development. During the first phase concentration was on the organisational structure and the accompanying management principles as the barrier.

The vision

Management goals concerning the change were indicated in the first announcement of the new organisation. The message was, We want a business characterised by the following principles:

- Respect for the individual.
- Short distances between management and employee, self-management and large responsibility – tasks are delegated.
- Dialogue on achieving stated goals.
- Clear values.
- A high level of openness and transparency in all relationships.

Process organisation to generate dynamism

There are many reasons for process organisation, though in most cases the motive is to standardise work processes, eliminate waste and to streamline the organisation. At Devoteam, the purpose of process organisation was completely different – to delegate competencies to the employees, thus generating energy, dynamism, and increasing performance levels when allowed to undertake the tasks they are interested in, and when they are entrusted to do so. I believe that this condition has played a decisively important role in the company's success to date.

Process organisation must create energy and focus first.

The new organisation was introduced as an open and closely integrated network organisation based on the following principles:

- Management tasks are delegated to a large extent and controlled through performance measurement agreements.
- The leading organisational principle is expertise, which is gathered in a group of practice areas (PA).
- PAs are responsible for turnover, margins, team management, professional development and method development.
- Consultants have a primary affiliation with PAs. The principle therefore becomes a division of resources by competence.
- Lines of authority can refer to managers outside of one's PA.
- The consultants can have several supplementary professional affiliations.

Dividing personnel responsibility and group management creates additional degrees of freedom.

A decisive point in the new solution was the many new roles that express the delegated responsibility and competences. They were brought about to create initiative and energy. Role division and role evaluation are based on the following principles:

- Employee performance and development reviews serve as the foundation for identifying individual role preferences, expectations of role fulfilment, goal profiling and previous role performance.

The structure is a total picture of what we have and what we need.

- Role distribution takes place dynamically and according to need. All roles are evaluated at least once a year. The various evaluations are calibrated and next year's role preferences are coordinated.
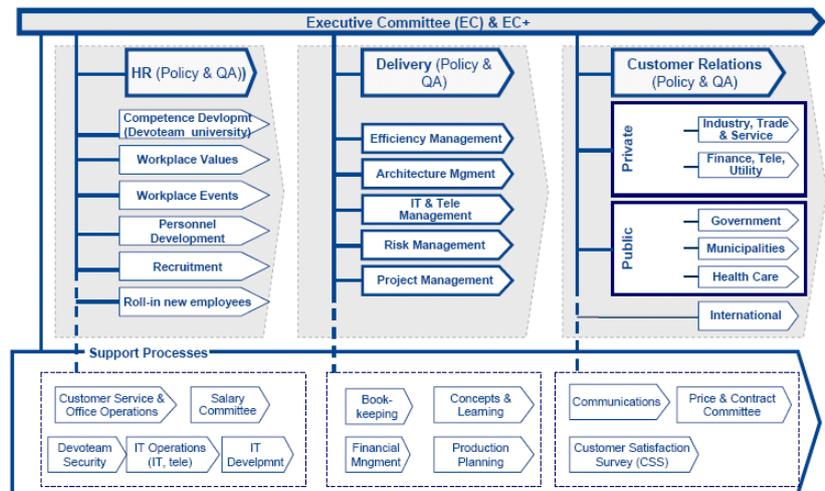
Figure: Devoteam's process organisation

The change message featured the following main principles: We will have a new organisation based on new principles, we are dissolving the borders between the two old areas of MIT and T&S, we are building up the organisation around our practice areas, we are establishing a wide range of new roles, employees can fill several roles, titles are maintained but primarily associated with external roles. The aim is to stimulate and reward contributions to growth and business development.

Process organisation to bring efficiency to daily work processes

The idea behind organisational change was that most of the freed energies could be put to use strengthening business processes, just as customers could be offered seamless consultancy services to a greater extent. The goal was formulated thusly:

During the first phase, energy must be put towards easing daily work processes.

We will liberate resources by: recycling routine elements found in most of our project work, creating a common framework for delivery (a joint project model), clarifying roles and distribution of tasks, developing tools and checklists, defining quality assurance and creating procedures for communicating relevant experiences.
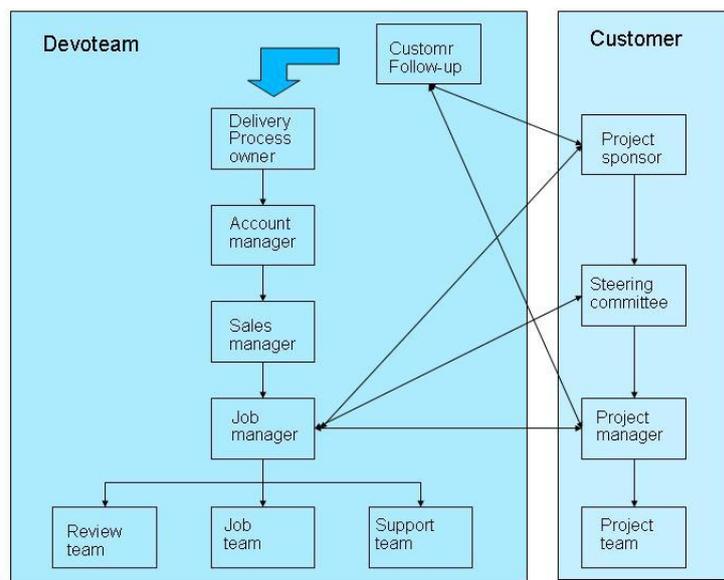
The generalised delivery process (project model) is shown below:

Devoteam's delivery process

The roles associated with the project work are shown in the following illustration:

Devoteam's project management model

Everyone is measured – but everyone can influence his or her own measurement

Delegating and managing can easily go hand in hand.

Devoteam's process organisation contained 35 separate "processes" with each their own process owner and goals. This means that if nothing else in distributing management authority and decision making, overview in itself is also distributed. Therefore it is important to include a management tool that can ensure consistency and overview. Devoteam's measurement system ought to be viewed in this light.

The most important measuring points in the measurement system are: personal sales, personal turnover, competency goals and milestones, training new consultants, fixed process goals and benchmarks.

Management through precision and transparency.

Devoteam features transparency across all of these conditions. Salaries, personal performance (i.e. billable hours), contributions to internal processes, sales numbers, results, etc.

All interviewed employees have stated that this transparency is a good thing. It can be interpreted as a sign that the organisational culture is a strong one, and is robust enough to carry transparency just as are the employees. People trust themselves and each other. The measurement system works and there is no manipulation of the numbers.

Goal structure and incentive model negotiated on annual basis--

Goals make sense when they are negotiated

An annual employee performance and development review is held in which aims and goals are delineated for both short and long-term. Employees are asked to select two practice areas, one of which is the primary practice area. In addition, employees can request their own manager and coach.

There is a development bonus to reward growth and business development consisting of a percentage of the yearly profits, and this is distributed among everyone based on the consultants' personal contribution to growth and business development. There is also a traditional salary model consisting of a fixed salary and commission based on billable hours and sales results.

Management development through cascading coaching

We are all managers. It's about taking responsibility for one's own tasks and deciding how to solve them, but also about finding new methods, gaining perspective and self-development -- preferably in cooperation with another dedicated manager.

Increasing management scope was an important driver behind the change. For this reason there is extensive focus on management development at Devoteam. The new organisation also reveals that there are many managers to be developed. Management development takes place in the following way:

Each person is affiliated with or has selected a manager. Things are set up in such a way that the highest level of management is responsible for the managers on the very next level, and these managers are responsible for those who demonstrate the greatest potential for becoming managers most rapidly. In this way it can be said that competencies cascade downward throughout the organisation via mentoring and coaching.
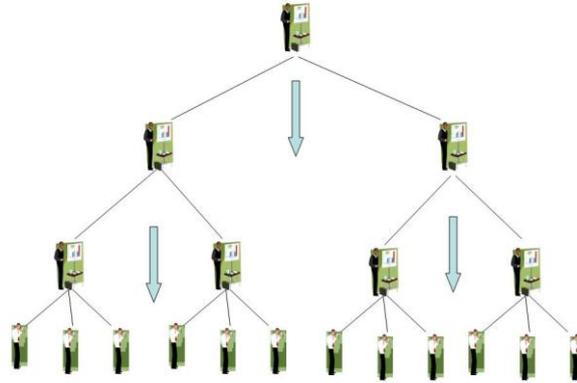
Figure 12: Management development through cascading coaching

The assumption is that we can teach each other to manage.

A coaching program has been set up and all managers must complete it. Coaching is one of management's tasks.

Self-management based on values

Devoteam practices self-management based on three key values supported by a group of behavioural formulations. This means that the value set is easy to grasp and manageable and that it can be put into operation through behaviour. The value set can be actively used in daily work. There is an ongoing organisational dialogue on how to best express the values through action. The value set is as follows:

Frankness
- Give all relevant information to your teams, colleagues, and managers to offer the best view of the situation you are involved inImprove, don't just criticize. In fron of an issue, give always at least one suggestionTell what is best, highlight risks, and say if you are not qualified for a taskLearn and share from positive and negative experiencesManage internal issues, not let them impact negatively on our efficiency

Respect
- Treat people you are working with as you want to be treated yourselfBe professional in your daily work and fulfil commitmentsConsider that your colleagues' time and work are as valuable as yours
- Integrate new people in teams and make our guests feel welcome

Feel responsible for Devoteam's resources**Passion**

1.3.3. **Bring value, new ideas and share knowledgeBe proud of your teams, your work, and the customer value you deliverAlways act to protect, encourage, and strengthen long term relationshipsSee an opportunity in any changeHelp to develop Devoteam**Motives **and intentions**

The motives and intentions behind the change were expressed as a range of quantitative and qualitative expectations:

The qualitative expectations
- Transparency
- More energy and motivation
- Flexibility and dynamism
- Improved knowledge sharing
- Renewal and improvement across occupational areas. Dissolution of silos.
- Broad concepts. Increased holistic approach to "consulting" – new innovative combinations and sets of competencies.
- Professionalisation of work processes
- Liberation of several management competencies and fewer bottlenecks in the partner group

The quantitative expectations
- Marketing to outside the organisation
- Increased growth – supported by organisation and incentive structures
- Maintaining employees and attracting new talents based on the new organisational principles.

The strategic goals were met as soon as three years later.

The strategic goal for 2003 was formulated thusly: *"We want 15% growth per year and a profit ratio of 15%, we will have a staff of 100 consultants within 5 years."*

1.3.4. The implementation process

Overview of implementation process
A brief overview of the process is illustrated below:

The process	*Observations*

Management initiates changes	The management group recognises the need for change. A large number of considerations are put forth and management reaches a joint definition of the problem. There is agreement on what to do next, a "from-to" picture.
New structure is designed	Niels Korsholm takes a couple of weeks to work out a solution inspired by the book by Rummler and Brache. The solution is conceived as the answer to reaching the "to" picture.
Design presented to key players	During the first phase, elements of the new solution are presented to key players. Then the total solution is presented at a partner meeting where it is adopted prior to presentation to the employees.
The design is implemented	The solution is implemented. Implementation process takes place over approx. 6 months. During this time the details of the first design are worked out and adjusted in accordance with the experiences gathered during the implementation process. A detailed follow-up system is implemented as part of the solution.
Actions are implemented	The daily practice is implemented in the new set-up, and the solution has created new energy used to detail-design the processes. The hiring process is under particular focus here, leading to the many new employees receiving a high-quality introduction phase.
Effect is followed up	After approx. 1 year the solution is followed up in a number of channels, working environment study and case study. Processes, roles, goals and action plans are adjusted as necessary.

Figure: Overview of implementation process at Devoteam

The change strategy

The proposal for the new organisation was designed by CEO Niels Korsholm over a period of three weeks just prior to a general partner meeting.

Undertake change when things are going well

Much thought was given to timing. The CEO believed that change is best undertaken during good times -- when employees are concerned with running the business. This ensures no unnecessary fiddling about details that may not be important, as well as having the financial vigour to carry the costs of the change. Moreover, there is greater likelihood that employees will perceive the change as strategic and not driven by the need to save money and cut costs.

Take the discussion after the change has been implemented.

The strategy was to avoid a long drawn-out discussion prior to the change; to implement the change quickly and make the necessary adjustments afterwards, and to adjust the details that may not have been in place from the start. The important aspect of this strategy was to give the first phase a quality which made it possible to take up the discussion based on a common foundation. The phase was to be designed in such a way that all subsequent decentralised initiatives would converge and connect.

Value is created through cooperation.

The discussions carried out in the period leading up to the chance led to the following conclusions: We must generate improved cooperation across the organisation, we need to think in a

holistic way about our consulting services, we need better management of our work processes, we need to grow more quickly, and we must focus on accordance with our strategy. The proposal was viewed as the solution to these conclusions.

The proposal for the new organisation was presented at a partner meeting held on 11 November 2004. The meeting originally had an entirely different agenda but CEO Niels Korsholm brought forth the proposal which was adopted that day.

Evaluation of implementation phases and strategy

Devoteam viewed the implementation similarly to Rummler and Brache's recommendation: as an ongoing process and not as an event. This viewpoint also characterises most of the initiatives implemented at Devoteam.

Work out the broad outlines   Therefore the proposal was an idea proposal outlined as a number of texted PowerPoint presentations, detailed enough to define all of the important principles but open enough so that a large number of necessary decisions and detail elaboration could be filled in later as the organisation phased into place.

The implementation phase at Devoteam has demonstrated that there was a continuous need to adjust and adapt the organisation. New processes have been defined, others divided and still others put together. The organisational model has changed its appearance in such a way that the weight of the individual functions always partly reflects the things that Devoteam has focused on internally and partly has reflected the development potential Devoteam perceived in the market.

Worry about the details later   One of the positive experiences has been that the process organisation and the principles behind it have proved themselves robust in connection with the changes. It has been possible to maintain them even in the face of significant upheaval.

The conclusion is that process organisation can be implemented without paralysing the organisation when working with a hierarchical process model with a high degree of modularity, and when the principles are described rather than set forth as concrete and detailed work processes and function descriptions.

It is my opinion that the following points have proved important to the success of the implementation:

- The implementation could begin based on what Kotter terms a "winning coalition" (see next page).
- It was possible to make sense of the change message in the context of the previous two years of experience in the consultancy. The change could be viewed as a natural extension rather than a break with history and tradition.

- The implementation was planned as a continuous process based on an overall robust process design.
- The implementation was carried out when things were going well for the business.

1.4. Case analysis

1.4.1. Conclusions

The open office environment has created dynamism

Physical framework must not limit dynamism

The business is arranged as open office environments with no assigned work stations. "Free seating" was introduced approximately 18 months prior to the new organisational structure. The general impression is that free seating has led to an increased dynamism in the office. Many employees change their seating in order to chat with new colleagues, while others group themselves in more stable patterns with a view to performing project work. Like many other aspects of working at Devoteam, seating is governed by principles of self-management.

Flexible infrastructure has been put into place, in that:

- All stationary PCs were replaced with laptops and wireless networking for all employees.
- All landline telephones were replaced with mobile telephones integrated and supported by the reception switchboard.
- Electronic archiving and document handling (supported by scanning function) has been implemented.
- 80% of all shelving has been removed.
- Full access from home workplace and other destinations via wireless networking.

Management has grown up from within and has become a team

Devoteam is led by a group of four directors, all of whom have a long history within the organisation. The CEO was the fifth employee to be hired in 1982. The other directors have an average of more than 10 years experience in the company.

Open culture

Openness is motivating

One of the most distinctive characteristics of the Devoteam culture is its openness, illustrated by a number of employee interviews.

I quickly felt at home as a new employee and began speaking of the company as "we" soon after I was hired. There's a really good atmosphere and you feel welcome there.

Praise creates confidence	*You soon learn that you're a part of Devoteam and that part of the quality of Devoteam is because of you. We're good at saying that to each other. I used to work at a place where people went for lunch without asking me if I was coming along. People came and went without saying hello. It's the little things that make you feel welcome.*

I personally experienced this openness the first time I spent any real time together with the organisation. We had a stopover in Frankfurt airport on our way to a company conference in Milan. At that point I knew only the 14 people I had met in connection with the interview process, and all of them had taken an earlier flight. In the check-in queue I was briefly introduced to some of the people I was travelling with.

As we waited in the transit area, I saw my chance to prepare for the presentation I would give in Milan. After sitting alone for 5-10 minutes and attempting to focus, I was contacted by an employee who came over to ask: "Sitting here all by yourself? Come over and sit with us if you like."

Having spent a good deal of time in the Devoteam workplace, I have always experienced an excellent rapport among the employees. One never feels unwelcome at any time, And there is a strong impression of a company where people care about one another. One employee who has been with Devoteam a long time expressed it thusly:

I had my tenth anniversary with the company in August, and I thought, okay, what's the reason that I've stayed for 10 years? Well, you stay where there are people who care about you. That's what I want to emphasise most. I have people I've come up with in the company and that I have a history with. I really like them and I feel that they care about me. And I care about them, too.

The employees are good at praising one another
This strong emotional cohesiveness presumably has much to do with the fact that people are skilled in praising one another's achievements. The following statement illustrates this.

Praise generates praise	*I think that I have very competent colleagues and often find myself thinking how good they are at what they do. I feel like I can get behind it and be proud.*

No win-lose games
I have 35 years of experience in consulting and therefore I have known many companies and consultancies. Where I feel that Devoteam differs mostly from the others is in the lack of internal competition and win-lose games. A director described it thusly:

We don't have any cutthroats, they'd be frozen out. And they are also weeded out during the hiring process. We have people

with ambition, and we recognise that, but we don't put up with cutthroats. We won't tolerate being cheated, passed over, etc.

Ordinary consultants expressed it like this:
You don't talk about people, but to them, and winning at the expense of others just doesn't happen. What I think is great is how there are very few tactical games played here.

Remove all win-lose games, use "contribute" games instead.

Our customers also tell us that when several consultants are present, there's a different way of behaving and a different kind of attitude than they see with other consulting companies where they see competition e.g. "Oh, that was that department, and that's because this happened, etc."

Behind this cultural element is the very conscious management attitude that internal competition is the direct route to problems with customers.

All information is accessible

The principle of openness cannot be compromised

One of the important Devoteam principles is total openness. In practice this means that everyone can get access to everything, including personal invoicing, salary and bonus for all employees including management.

In other companies we have encountered situations where people were interested in total openness – as long as it didn't concern their own information. Therefore we made certain to test the veracity of the employees' interest in openness as stated by management. And we found that the two accorded, as the following statements reveal:
Management is very open and wants great transparency throughout the organisation. They plan to give employees access to as much as possible. And the more insight employees have, the more motivated they will become.

Values are used actively

Values are often discussed at Devoteam. When it comes to projects, the consultants are very value-conscious and in many projects a value agenda is set. Time is also spent talking about values in connection with the introduction phase for newly hired consultants. A member of the management group had the following to say:

Values are living concepts and must remain so or become forgotten or transformed into dogma.

The large management group sometimes discusses value; I recently experienced this, how you deal with it, provide feedback, etc. It quickly becomes a value debate.

Employees see each other as specialists

The fact that Devoteam employees are skilled at praising one another is probably based on how they view themselves and each other as specialists. As two employees expressed:

When you walk down the halls here you get a clear sense that if you went in and asked someone about something, you'd have access to a core competency.

This office is infused with a sort of "specialist" spirit. We really like ourselves, but in a good way without being boastful about it.

Management philosophy is largely self-management

Devoteam management philosophy is primarily based on self-management, freedom, room to self-organise, minimum standards, etc. This appears to be one of the reasons for the company's excellent results, but as with all other things, it creates challenges as well.

Self-management brings its own challenges

The challenge is that it is very much up to the employees to create the learning loops and the concept work to ensure integration of cultures, work processes, services, management style etc.
Power and management are delegated to the employees. Their task now is to find the balance between integration and differentiation. The analysis indicates that this has not yet succeeded to its fullest extent. An employee puts it this way:

Guidelines, methods and tools are interpreted.

I experience different occupational cultures in these primary processes, which despite everything are the core pillars of the business. Many things are run differently even though we may share common management values. It depends on the person to some degree. Expertises are different, too. It gives rise to what seems like many small businesses, in a way. There's nothing wrong with the tools, but the way in which they are implemented which can be very different throughout. What is taken most seriously differs as well. There are both hawks and doves.

Freedom, energy and development can create organisational divergence and loss of focus.

The analysis indicates that there are advantages present in becoming more integrated. Increased integration can solve a number of problems and provide much needed synergy. Another employee illustrates this point:

I viewed the first three months as a fantastic introduction process, but when you've been here for 6 months, you start missing goals and meaning because you are involved in many different processes with many different ways to approach things. This is where you hit the ceiling because you lack a kind of total wholeness around the business. But there is a high level of ethics across these cultures. It's something that permeates the entire office, in any case.

The Devoteam principles are to a large extent similar to the LEAN success principles:

- The individual processes carry "end to end" responsibility
- Management is visible in practice
- Score card functions as performance measurement board
- Management consists primarily of coaching based on deep understanding of the consultant process
- Process owners act as a kind of Kaizen consultant who are tasked with a goal in connection with the new strategies, i.e. improved introduction process for new employees.
- Process owners, middle managers are the ones to implement improvements
- Process owners and process improvement are not used for cost cutting purposes
- Top management sets the boundaries.
- When management verbalises the employees hear respect for them, inclusion, and confidence.

Changes made only to structure and distribution of power
A brief and general summary of Devoteam prior to the change in 2004 is shown in the table below.

Dimension	Characteristic
Relations	- Close relationships are primarily occupation-based - A strong feeling of common identity based on an established family culture - People are physically grouped together - The hero is one who solves a given task with his/her competencies/professionalism - Working with the customer comes before all else
Time/space	- The cafeteria is the group's "home" base - Or people come together at peer-based meetings
Structure	- The structural principle is column-based expertise where the column is run by a partner as a sort of business-within-a-business. Traditional partner management.
Actors	- People make a point of showing their pride in their own work and that of their colleagues - People discuss what works and refrain from criticising - There is no competitive behaviour
Power	- Top management is an efficient team, no win-lose games, a great deal of trust is shown towards employees.
Action	- It is clearly expected that employees will act on their own initiative

Brief description of the organisation prior to the change

The table demonstrates that the change had a sound basis. There was a unanimous and effective management behind it, the culture was relatively robust, and the actors were capable of carrying the responsibility of freedom. Several employees viewed the new organisation as follows:

The new organisation is a declaration of trust on the part of management. By sharing and showing trust in relinquishing their own responsibility, management gets a great deal in return.

A brief and general summary of the business prior to the 2004 transformation can be seen in the table below.

A great deal of change took place in terms of structure and authority, but very little around the basic culture. The change process was there-fore technical-rational in the first phase.

Dimension	Change
Relations	• Supplementary relationships are created through the new occupational groupings; the old relations continue to be strong. • The hero is he/she who generates turnover • Internal process work is important
Time/space	• The cafeteria still functions as home base • Otherwise staff attend Monday meetings
Structure	• The structural principle is that of the Value shop with a background primarily structured according to occupation
Actors	• No additional changes apart from new actors in the or-ganisation who had no part in the preceding history.
Power	• Power is delegated to a large extent; but there are several levels: EC, EC+ etc.
Action	• Delegating now also means that it is up to the employees to ensure integration and knowledge-sharing.

Brief description of the change according to the same dimensions

The greatest changes have taken place in the areas of power and structural dimension. A certain change has also occurred in rela-tionship patterns, and more energy has been relegated to the "in-ternal" lines. In general there has been more life and dynamism injected into the organisation. On the other hand, the actor area has not seen any real change. The basic culture is the same, the values are the same, and the professional attitude is also the same. However, more interaction patterns have been created across the occupational groups.

Since the structure of the organisation has been loosened, inte-gration and learning now take place primarily through self-organisation.

1.4.2. Evaluation and discussion

Are we dealing with process organisation?

One of the tasks of management is to organise the resources in an organisation in a way to solve the task in the best possible way. Broadly speaking, organising can be understood as creating order. What is process organisation from this perspective? Does process organisation actually provide improved order?

Process organisation indicates the kind of order that causes staff member to "cohere" in such a way so that they can best produce or support actual delivery processes. The purpose of this is to:

- Increase cooperation
- Focus on common goals
- Increase the ability to adapt quickly
- Streamline planning
- Shorten the lines of communication between groups

Devoteam's process organisation model is based on that of Rummler & Brache. These principles are outlined below:

	Goal	Design	Management
Organisa-tion	Organisational goals	Organisational design	Organisation man-agement
Process	Process goals	Process design	Process manage-ment
Job	Job goals	Job design	Job management

The model views the organisation on three levels: the organisational, the process, and the job level. The principle is to work in a parallel mode with three hierarchies: a design hierarchy, a goal hierarchy and a hierarchy for management tasks. These hierarchies are equivalent to one another in terms of each level having goals, budgets, and clearly defined management tasks.

The organisational design

The design hierarchy
Devoteam's organising principles can be formulated as follows: The organisation is established as an open and closely integrated network organisation. Management tasks and roles are largely delegated to staff members and managed through performance measurement agreements. Expertise comprises the basic organisation principle and expertise is gathered in a number of Practice Areas (business areas) where responsibility is assigned for turnover and contribution margin, team management, professional development, competency development (including concept development), as well as active participation in sales and marketing. Consultants have a primary relationship with one Practice Area. Lines of authority *can* lead to managers outside of the Practice Area in question. The principle of "elective" management relationship is to be strived for. Consultants can have several supplementary relationships in several practice areas.

The general principles are as follow: Respect for the individual. Short distances between management and staff members. Self-management and a great deal of responsibility. Tasks are delegated. Dialogue focuses on the goals to be achieved. Clear values and a high level of openness and transparency in all relationships.

In principle, the Devoteam organisational design looks like this:

The process design
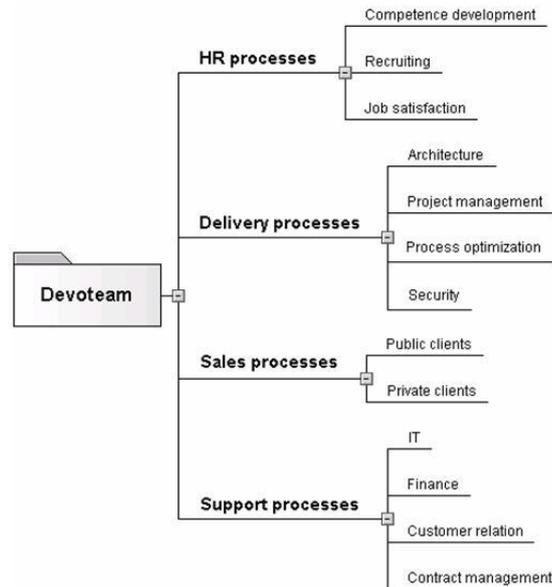
The process design must first be based on the general type of process the business performs. There are three main types compared in the table shown below (ref. Stabell):

A fundamental error is basing change on an incorrect process perspective

	Chain	Shop	Network
Task	Produce a product for a client	Solve a problem for a client	Connect a client with another client
Purpose of the process	Produce the product with the least possible wastage	Allocate the resources needed to solve the problem optimally	Make it easy for clients to find one another
Process	Inbound logistics

Operations

Outbound logistics

Marketing

Service | Diagnosis

Allocation of resources

Problem solving

Follow-up | Network creation

Contract management

Service

Infrastructure Operations |
| Relationships | Sequential | Reciprocal, must be reconfigured continuously | Changing |

The three main types of process models

Devoteam is a consultancy, which is to say that it is a value shop. This means that it is based on the following model:

Devoteam is organised along the Value shop model
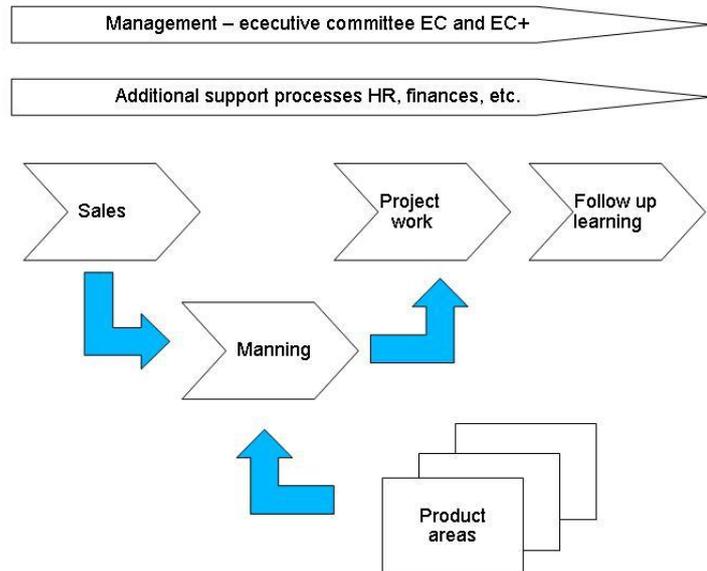
Value Shop process model

Job design

The actual job is performed according to the governing concepts and descriptions for the HR processes, sales processes and support processes. For project work, the concept and method descriptions are developed for the actual areas in question. The illustration shows a concept extract for one of the delivery processes, work process analysis:
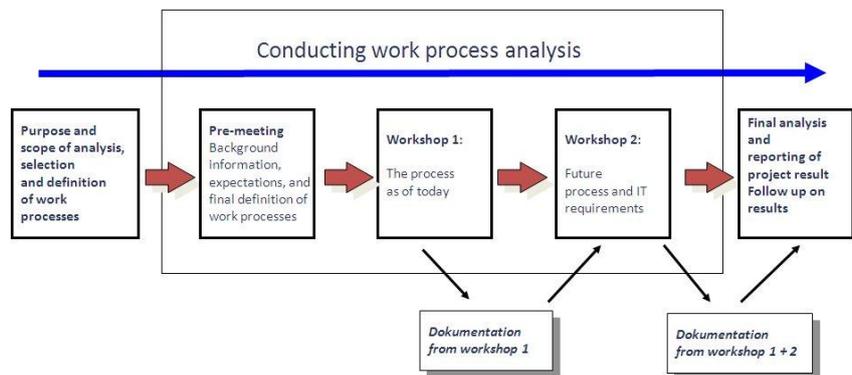
1.4.3. Goal hierarchy

The goal hierarchy consists of the following levels:

Company goal

Company goals are as follows: Cooperation across the organisation, control of all work processes, more rapid growth (30 – 40 new consultants), and strategic focus on long-term customer relationships

Process goals

Process goals depend on the process in question. Afterwards, the goals for the support process roll-in are defined: revision of the mentor program, develop mentor checklist, develop personnel manager checklists, develop communications strategy, update employee guidebook, implement an evaluation process, review and supplement IT support for the process

Job goals

Job goals are goals for the individual consultant, e.g.: Personal sales and turnover, customer satisfaction, personal competence development, potential mentoring for new consultants and the possibility for other individual goals

How is management organised?

The Devoteam management hierarchy can be portrayed as follows:
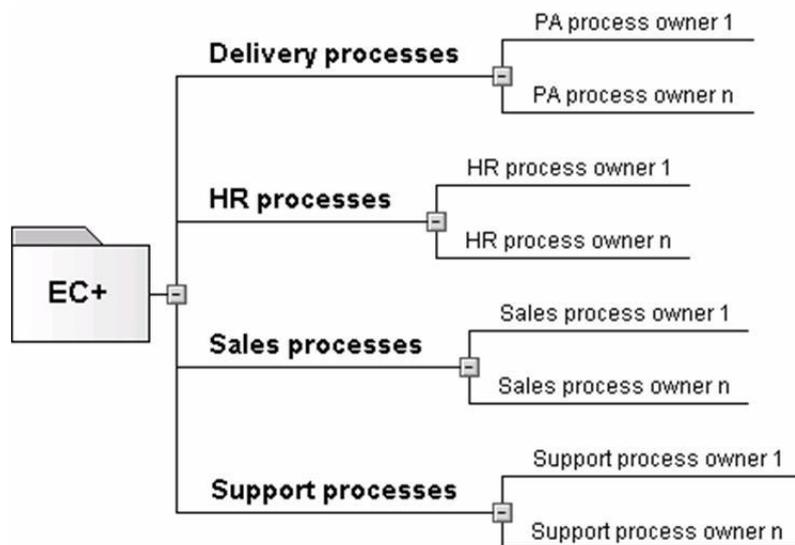
Top management consists of the directors. Cross-functional management takes place in EC+ which is a forum where the central process owners meet at regular intervals. Top management also participates in these meetings. The process owners are responsible for process management, and individual consultants self-manage within their assigned or chosen jobs.

Management tasks and focus

Tasks and focus for the three layers of the management hierarchy are shown in the table below:

	Management	Content - Focus
Organisation top manage-	EC	• Redefine the overall strategy, establish "meaning", develop the

ment		• business
		• Create an overview of the strategies, communicate developmental direction and ambitions
		• Create an annual calendar with fixed primary activities
		• Maintain and improve dialogue meetings throughout the organisation
Cross-functional management	EC+	• Business development and strategy • Continual operations and coordination • Concept development
Process management development	Process owners PA Practice Areas	• Interpret the strategy into a clear vision for the Practice Area in question. • Develop strategy, goal-setting and organisation of Practice Area • Develop concepts • Develop and implement marketing activities • Responsibility for sale of business area's services/products • Responsibility for monitoring staff members with primary relationship to the PA • Team management (team management and/or personnel management if lines of reference are within Practice Area) • Ensuring cross-synergies
Process management Operations	Project manager	• Smooth project management • Marked visibility, important culture bearer • Recognised expert • Contribute to professional development and coaching • Participates in meetings at top management level
Job - Self-management		• Works independently and pro-actively • Handles consultant tasks with considerable independence • Handles simpler project management tasks • Active in areas other than own • Contributes to a certain extent to marketing and/or professional development • Delivers services of independent value for clients

Use of values in the man-
agement process

Devoteam focuses on values; as an example I shall examine the value "Respect for the individual". This value can be interpreted in the following way:

- We trust that employees will take responsibility, do their utmost and know their own limits

- We accommodate employee differences/requirements

- We strive to ensure that employees work with projects they are passionate about

Personnel management

Those with personnel responsibility have the following tasks: Responsibility for minimum 3-5 employees. Continuous coaching of employees according to their needs. Annual performance review (including salary and goal-setting). Prepare recommendations for promotions.

The personnel manager group has the following task to perform as a group: participate in salary policy talks, scorecard and personnel policy. Participate in the annual calibration of assigned development points for individual employees.

Evaluation of management model
The following illustrates the Devoteam management model as evaluated according to the model discussed in section 3.4

3. Order management

Element.	Evaluation.
Conditions for second-order management.	Conditions for second-order management were created along with the new organisation. The initiative received full support from top management.
Mutual trust.	There was mutual trust in top management due to the long-term working relationships between them. Trust was also a primary characteristic of the organisational culture.
Debate working conditions.	Participation in countrywide work environment evaluation and discussion of the results.
Recruit the right people.	Recruiting the right people is ensured partly by having the employees themselves introduce new employees, and partly by the long-term and effective hiring and introduction procedure.
Diagnose holistically.	Devoteam's scorecard system ensured a continuous holistic diagnosis of the entire organisation; openness ensures that everyone can participate in the discussion or at least keep informed about the results of the diagnosis.

2. Order management

Element.	Evaluation.
Remuneration and re-ward structures.	Middle managers assign staff members a score to decide the size of their bonus.
Vision formulation.	Middle managers are tasked with formulating the vision for their own "competence area".
Concrete goals.	Employees, middle managers and top management negotiate the concrete goals on an annual basis.
Common values.	A value set was deeply anchored in the organisational culture. It caused middle managers to base their actions on values according to needs, which were not substantial in that the values were internalised.
Cross-functional man-agement.	A forum was established for discussion and determining cross-functions (EC+) as well as general competence structures.
Establish basis for self-management.	A primary requirement for effective self-management was the feedback and coaching passed on to employees by their middle managers, Particularly for new employees. In this case the middle managers served as the bottleneck.

Self-management – job man-agement

Element.	Evaluation.
Prioritising.	Everyone had influence on prioritising projects. Prioritising was a common task.
Choice of method.	Employees were asked to choose competence areas and thus gained influence over methods.
Diagnosis.	Diagnoses were formulated in common when several employees were involved in a project. In cases where an employee worked alone, he or she formulated the diagnosis.
Cooperation.	Everyone was skilled at cooperating on client projects.
Knowledge sharing.	There was effective knowledge sharing from person to person. Everyone knew who the key players were in terms of different key issues. The structured form of knowledge sharing was found somewhat defective.
Recognition	Recognising one another was a central part of the culture.

The conclusion of the evaluation is that Devoteam works according to the management model described in section 3.4.

Has the new organisational structure led to greater cohesion?

Cohesion can be described using the following two-dimensional model:

Emotional cohesion: The perceived affinity between the members of a group. Emotional cohesion is based on fundamental trust between members.

Test questions:
- We get along well together.
- We have strong interpersonal relationships, even outside the workplace.
- We keep in touch when people leave the workplace.
- We tell each other personal things and trust one another.
- We do favours for one another because we like one another.

Instrumental/task-related cohesion: Is a group's ability to pursue common goals quickly and effectively independently of individual ties. Instrumental cohesion is based on a good level of motivation.

Test questions:
- All group members are pursuing the same goal.
- We agree on who our competitors are.
- Work is carried out with great efficiency from marketing to sales to delivery.
- When a good opportunity presents itself, we are quick to make use of it.

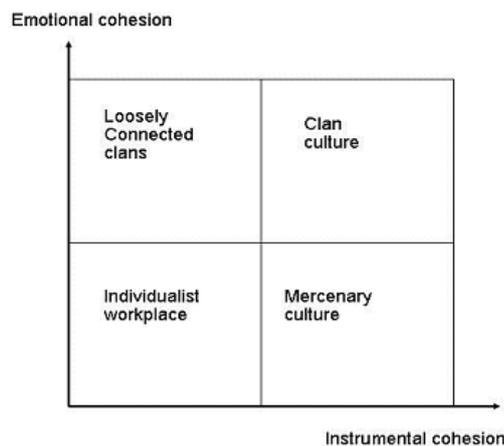Thus we obtain the following picture:

Figure: Company cultures categorised according to cohesion

The following is a brief description of the four cultural types.

People in an individualist workplace often work with their doors closed or work from home.

The organisation works:
- When work can be structured so that the individual members can work independently of one another.
- When innovation and renewal are primarily implemented by individuals.
- When standardising is achieved through product inspection rather than through process evaluation and process adaptation.
- When we can accept that professional pride constitutes a barrier to knowledge sharing.

Management of this type of workplace can be considered management of "loose" inventory.

This is where Devoteam is considered to be today. Instead of a hierarchy, this looks more like a "council of chiefs".

The <u>loosely connected clans</u> are a culture where there may be a hierarchy in the company, but where the employees know how to get around it.

The culture works:
- With long-term business strategies.
- When business success is the sum of local successes.
- When the critical success factor with regard to market knowledge is the detailed knowledge of the individual client, or knowledge of very small segments.

In a <u>mercenary culture</u> we never hear something along the lines of: "Too bad we had to say goodbye to John. He was a nice guy."

The mercenary culture works:
- When changes take place ever more rapidly.
- When profits can be ensured through establishing a centre of excellence that serves as the driver for the rest of the organisation.
- When company goals are clear and measurable.
- When the competition is clear and well-defined.

This is where Devoteam wishes to move towards. The movement itself indicates a balance issue.

In a <u>clan culture</u> it is important to balance the tension between emotional and instrumental cohesion.

The culture is strong:
- When development requires intensive teamwork.
- When there is potential for synergies between units and many opportunities for organisational learning.
- When strategy is more long-term than short-term.
- When the business conditions are complex and dynamic.

Moving in this direction required a large degree of instrumental cohesion within Devoteam. This can be achieved by sharpening goals and strategies so they can be used in practice as prioritising instruments by process owners and by strengthening the organisational learning circle. This last can be achieved by an organisational anchoring of the value shop model.

Has the organisational structure led to greater flexibility?

Devoteam participates annually in a major countrywide work environment evaluation. The results of this evaluation have increased consistently throughout the years. The main results for 2006 are shown below:

Management is honest and acts ethically in its business methods	=> 92%
Employees are given a lot of responsibility	=> 97%
Employees are treated well regardless of gender, age, ethnicity, etc.	=> 100%
You can count on the cooperation of others	=> 90%
You feel welcome here as a new employee	=> 93%
Management trusts that you are doing good work without checking	=> 92%
I feel that I am making a difference in the workplace	=> 90%

The interviews likewise show that Devoteam has what it takes in terms of value, management style and culture to achieve double loop learning. The basic framework for creating flexibility is therefore in place. What is left to be achieved is structural -- working with the instrumental cohesion.

Although Devoteam places a great deal of focus on management, this was one of the areas studied in the evaluation:

- There were major differences in management practice from group to group. Devoteam has a set of management tools but in practice these are implemented in varying ways with different approaches. This made the new employees in particular somewhat insecure, as they were often moved to new areas and thus did not experience the expected cohesion in consultant practice.
- Furthermore, the newer consultants in particular sought more feedback from managers for two reasons, firstly to learn how to do their jobs satisfactorily and secondly to learn as much as possible.

It is also worth noting that Rummler and Brache view these feedback loops to the employees as fundamental to their model.

To what extent have the expected qualitative and quantitative effects of the solution been achieved?

My evaluation is as follows:

Motives and Intentions	Achieved effect
Quantitative effects	
External marketing	Succeeded in that the solution received a lot of media attention.
Growth	Good growth driven by the market and through recruitment of quality employees.
Attracting talent	Expectations that the new organisational structure would it in itself attract new employees were not fulfilled. Most of the new employees presented with the

	organisation model found it difficult to evaluate. All of the interviewees had been headhunted into the organisation by people they knew who already worked there. It was therefore existing employees who "sold" the organisation to their acquaintances as a good place to work and develop. This brought benefits in terms of those who were hired fit into the culture and had the "professionalism" so prized within the organisation. The ability to attract talent was generated by the way in which the company functioned: e.g. culture, lack of competitiveness, cooperation, management style, etc. The company was therefore also skilled at retaining employees. The job turnover rate was between 5-10 percent, which is considered to be low for a consultancy.
Qualitative effects	
Transparency	Strengthened by the introduction of the new measurement system and electronic archives.
Energy and motivation	Significantly increased, as also clearly shown by satisfaction surveys.
Flexibility and dynamism	The increased energy and motivation generated more dynamism. Greater flexibility resulted from organising as a value shop, e.g. with clear sales and hiring processes. The hiring process functioned well, and hiring was not based on local considerations.
Improved knowledge sharing	A number of narrow learning circles were established, Firstly around the formulated "processes" but without any real influence on the broader organisational learning.
New career paths	New consultants could work their way up more quickly.
Activation of more management resources	More management resources were created, first through the new roles. However, this was an issue when it came to very diverse management styles.
Innovation/renewal, cross-functional cooperation	The effect on innovation/renewal was substantially less due to the following perceived barriers: 1. Difficulty in prioritising across "the processes". 2. Difficulty in achieving unity and synergy across the different sub-concepts. 3. Very loose management of the development projects.
Broad concepts	No recognisable effects in the first phase. The majority of the knowledge remained as difficult to generalise specific knowledge.

These pointed directly to concrete suggestions. Potential initiatives were:

1. Broader learning circles, e.g. related to development of management competences.
2. Anchoring the value shop model.
3. Establishment of a concept for concept development with a view to ensuring unity and synergy.

4. Implementation of the strategy so that it could be used as a prioritisation foundation for the development work.
5. Establishing development projects with goal setting, follow up and conclusion – with potential shutdown of development projects as a result.

Is the Devoteam success the result of a healthy market and other factors that could be classified as lucky coincidences?

It is a known fact that Devoteam benefited from a healthy market. However, Devoteam has also enjoyed a greater degree of growth than most other comparable consultancies. I believe that this growth is primarily attributable to the energy and motivation that has been generated through the new organisation.

Growth has occurred mainly in the traditional Devoteam business areas. It has proved more difficult to create and grow new business areas. Growth in new areas will require greater instrumental cohesion.

Is the Devoteam success due to radical innovation and specific management initiatives, as the articles indicate?

It is not possible to judge how much of the effect can be attributed to positive market development, and how much is due to innovative management. My viewpoint, however, is that management is innovative in two important areas:

The first area is the fact that management dared to relinquish a great deal of control, as expressed in the new organisational structure, and that they dared to extend trust to their employees, as demonstrated by both the solution and the following practice development.

The second area is a management practice reminiscent of that proposed by the chaos theoreticians – where one seeks out dilemmas that unfold in the workplace and continuously try to raise the opposing aspects of those dilemmas.

The situation at Devoteam is as follows:

Dilemmas	Observations
Recognition – criticism	They are very good at showing recognition but equally poor at offering criticism. An old company motto: don't criticise – improve. The culture has developed on the basis of this value in such a way that it is often closed to even deserved critique. The task is to keep working on self-image, and that we are such a close family that we can offer each other critique in a caring way.
Freedom – control	Both sides of the dilemma are raised to a higher level through the balancing of the process organisation with incentive model and score card.

Diversity – unity	Professional diversity still flourishes, and when areas need connecting across functions this is performed by individuals with a "foot in each camp". However, there is a lack of concepts that span numerous occupational disciplines.
Improvisation – risk manage-ment	There are wide limits for improvisation precisely because of the way the organisation is distributed, the free framework and the low level of formalism. Combined with the enormous trust, this means that the organisational risk management is based on individuals and their evaluations.
Growth – cohesion	Ok, cohesion is maintained despite rapid growth primarily because employees recruit people they know and because the culture is open and accepting of the new. This balanced picture may not continue in the face of continued increased growth.
Ability to grow – limits	The ability to grow is very high based on the high professional and work standards set by the organ-isational culture itself. Add to this a culture that emphasises that everyone is busy when one mem-ber is busy, and we help each other whenever necessary. The management level is clear workhorse role models. The extensive delegation and freedom mean that new employees in particular have difficulty know-ing when they are doing well. Stress is not some-thing that is openly discussed.

Evaluation of balance picture

These dilemmas represent the points that require organisational double loop learning. The message is to focus on more than just one side of the dilemma, to look at both sides at the same time. Working with both the governing variables and action strategy at the same time ensures that the new solution will be effective on both sides of the dilemma.

A dilemma can be understood in the following way: One wants to accomplish something, for example, intention, and create en-ergy through freedom. Meanwhile, freedom will create a dilemma, namely how to provide freedom and yet maintain control? The solution is to balance freedom while also strengthening control, in this case in terms of creating greater transparency.

Are there any deeper and underlying mechanisms that would hinder the Devoteam success being exported to other busi-nesses?

Can't we just copy the Devoteam solution? Couldn't we simply divide the organisation into a number of discrete units, give each of them a goal chosen from somewhere appropriate within the company goal hierarchy and then let them run with it? Isn't the

process organisation just a functional organisation given a 90 degree turn?

Process organisation works when the cooperation does

The vital factor is strengthening cooperation. It isn't enough to just free the organisation – it's also necessary to ensure cooperation. This is where Devoteam's starting point proved important:

- The solid culture based on a family cooperation model, a large degree of openness towards the new, the lack of internal win-lose games, and extensive trust towards management and the collective.
- A large helping of professional pride, focus on quality and professionalism in consultant services.
- A close-knit management group with a long history together.
- Continuous attention to internal processes, employee satisfaction surveys, etc.
- Regular recurring thoughts: How can we do this better? Even in times where things are going very well. It is similar to an Olympic athlete who constantly focuses on improving her times.
- Employees are allowed to keep what they are committed to – the work environment – but perhaps in an improved form.
- Management has shown trust towards employees, and this is the best way to create trust – by demonstrating it.
- The change can be viewed as a form of value reinforcement, which can be seen as strengthening the values that the company is already building on.
- Influence flows downward in the organisation, by which the total amount of influence is increased according to the Tannenbaum control curve theory.
- The connection across primary processes is today ensured by the management group. Processes are performed for the good of the company rather than to satisfy individual partner interests. Thus the total process is perceived as fair and properly functioning by employees, creating trust in the system.
- There is a good balance between the freedom generated by the process organisation and the overview and control provided by the incentive model and score card.

My conclusion is that copying the formula would succeed only if the company was advancing from the same starting point as Devoteam. That is, that the implementation took place based on the same motives and attitudes, and that it was implemented to the same extent with regard to management development, support, culture, structure, goals, creation of trust, etc. The Devoteam

model offers many excellent building blocks, but the timing in the introduction of said blocks is a deciding factor in success.

Where goals hadn't been met in 2006 was in terms of conceptualisation and method work. The idea of conceptualisation somehow clashes with the culture. This is thought-provoking, partly because this is an engineering culture that ought to be characterised by a certain degree of conceptual thinking, and partly because conceptualisation was an important motive for the original change.

But development demands more than motivation and energy.

The ability to solve problems doesn't necessarily mean being good at building problem solving tools. Thus generalising experiences can prove particularly challenging.

What more can be done?

One can always do better, and in Devoteam the new focus points were formulated as follows:

Learning loops for management competences

- Stronger learning loops – including that of teaching process owners control and management competences. What will that mean in generating profit or developing personnel and services? Etc.

Strategy as an instrument of prioritisation

- Sharpened strategy for a better basis for prioritising efforts, particularly in resource-low periods where it is a matter or downgrading certain delegated partial goals over others. There is a huge number of goals, everyone is pursuing their own goals, and it can be difficult to prioritise. When are some goals more important than others?

A concept for concept development

- Each of the numerous process owners are tasked with developing a service concept for the service their process is to deliver. A rough model has been prepared for concept development, but this could move faster and with greater certainty if a more detailed concept could be worked out.

Self-criticism in the culture

- A value dialogue with special focus on generating more self-criticism into the culture without destroying the great advantage today enjoyed by Devoteam – that the organisation is characterised by trust, openness and friendliness, etc. How can one offer criticism without being perceived as a complainer? When is criticism an expression of doubt – and when it is just sour grapes?

1.4.4. The main learning points

The main learning points are as follows:

Self-management through process organisation creates energy and dynamism

- Process organisation together with value-based management can be used as a tool to free the organisation and create energy, growth and satisfaction. It is possible to attain a solid win-win result from process organisation.
- The starting point is to organise resources in such a way to create the most possible energy and synergy, not to streamline specific work processes.
- The object is to "Maintain the core and stimulate innovation and renewal".
- The fact that management has come up from within is a clear advantage, and management's task is to carry forward the values and culture. And new management has emerged from outside the organisation; new talents that absorb the company philosophy after 3 - 5 years, who can take on greater responsibility and who can therefore be part of generating renewal.

But the task of management has not become smaller

- The task of management is decisive. The solution design must take pains not to limit the actors, but it also means an integration process to follow. This requires support in the management group, and not too significant differences in management practice, and in the way the company is viewed, especially not when there is such a large influx of new employees and rotation between assignments. Employees are continually being placed in situations where they meet new managers, and where they themselves must manage new employees. Management tasks undergo constant change.

Basic trust and effective feedback are the drivers

- When implementation is an ongoing process it is important that feedback is continuously received without filtering and distortion. This applies to feedback concerning the effect of the actions undertaken in the projects, and feedback from the reflection processes undertaken by actors on an ongoing basis. This is double loop learning in action.
- A "both/and" culture is possible , where employees can both have fun and make money, but it can also be a tough place for those who don't fit into the culture and are 'frozen out' by the other employees.
- Freedom demands that management trusts employees, just as employees must trust management as well as each other.

Don't fix if it ain't broke – or should we?

(*Child & Faulkner, 1998*) point out the following: *"Trust is a result of social construction realised and reinforced through social interaction, cultural affinity and supported by institutional norms and sanctions."*

Trust is developed in three steps:

1. Calculated trust – based on contributions and rewards, requires a certain amount of protection behind rules and sanctions.
2. Trust based on common perceptions of organisational goals and one's own reality.
3. Trust based on emotional ties, on morals, on obligations, and the experience of common identity with an inherent value that goes beyond the essence of the cooperation.

In the book "Confidence", Kanter writes: "There is much evidence that success breeds success. Where there is a culture of pride based on high performance in the past, people's feeling of confidence in themselves and others goes up. High performance leads to group cohesion."

But the fact that one is on a winning team now is no guarantee that the team will keep winning. Even though Devoteam scores high on confidence, it is not certain whether it will continue to do so. Things may occur and situations appear to disintegrate that confidence. For instance, Argyris views the lack of structural cohesion as a threat in this respect.

What will happen within Devoteam if confidence disintegrates? This is difficult to predict, but as Kanter writes, the result will be: win-lose games, pursuing egoistical goals, lack of commitment and energy, etc.

If confidence goes, there is a risk of organisational crumbling of some sort. Consultancies in crisis are typically exposed to this kind of threat, in that they are very adaptable. The company can rapidly be downsized by layoffs and cost adjustments. Consultants are also known for quickly starting their own business or getting a job in another company.

In brief, the conclusion can be summarised as follows:

1. Freedom of action is created by management – it does not come by itself
2. Employees act responsibly when given responsibility
3. Every problem can be solved by taking action
4. Renewal from below frees employee development potential

But also

1. There is a need for effective knowledge loops
2. One of the primary tasks of management is to maintain focus
3. Management becomes a question of balance

It will be interesting to see whether Devoteam can maintain the impressive development they currently enjoy. At this point in time, it seems possible.

The years after 2006 have also shown that profit can be increased even in a tough market such as we have had with the ongoing financial crisis. Turnover development has been as follows:

2007 = DKK 105.4 million.

2008 = DKK 127.1 million.

2009 = DKK 131.3 million.