

Creating a 'Teal' Engineering Culture: Feasible or Fantasy?

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Overview

Just over ten years ago, I was a VP and Training Director with a large southeastern bank that wanted a leadership development program designed and implemented within its operations division. Part of the desired outcome was the creation of a ‘high performance culture’ (the buzzword term at the time) that would increase profitability by decreasing operational expenses.

So we developed training for the employees and also ‘trained’ the executives via presentations, one-on-one meetings, and in any ‘rah rah’ opportunity that arose to trust their employees to do the right things and allow them the chance to succeed or fail (within reason, of course) as they learned evolved in their jobs.

After about six months of this, the executive VP of Operations was making his annual report to the Board members and proudly announced that operational expenses had fallen just over 12%. When asked for specifics on what they had done to result in such a dramatic decrease, he said, “I honestly don’t know. We gave them leadership training, allowed them opportunity to use what they learned, and kept our hands off things unless they needed senior management to step in or act as advisors. They found ways to increase morale and thus productivity while becoming more efficient. They eliminated ineffective and outdated procedures, restructured work flows to reflect current conditions, and juggled staffing as necessary to cover the work. That is as specific as I can get.”

At the time, we were experimenting with a concept that was later called a ‘Holacracy’ but this was at least a decade before the term became fashionable. “Holacracy” – *management by committee with an emphasis on experimentation*¹ - is the latest hot topic in business leadership and organizational theory. It is the foundation of a book, “Reinventing Organizations”², which has jarred the world of management since its appearance in 2014. I say ‘jarred’ because the advocates of holacracy claim that centralization of power suffocates innovation. If that’s true, then it is easy to imagine how the CEO of a bastion of command and control like an engineering firm (or a project management professional) would feel about relinquishing their authority to a committee!

However, as I discovered in the bank, there are parts of the concept that will appeal to those in mid-career management positions looking for ways to get more productivity out of their teams and greater satisfaction out of their jobs. Also, new professionals who may not want to spend years ‘paying their dues’ working their way up a tedious organizational ladder will want to understand this concept as they search for their best employment fit.

And that brings us to the purpose of this course.

¹ <http://www.vox.com/2014/7/11/5876235/silicon-valleys-latest-management-craze-holacracy-explained>

² <http://www.reinventingorganizations.com/> - 2014

It is neither a thorough explanation of holacracy nor a pro-or-con discussion of its merits: you can read any of many books for that. Instead, it is a practical approach to how parts, but not all, of that philosophy can be introduced into an engineering culture with a high potential for measurable and desirable outcomes. Also, it will identify areas of greatest opportunity for new thinking as well as warn against situations guaranteed to fail.

There will be questions to ask yourself, your boss, your peers, and your team if you want to become more familiar and conversant in implementing parts of a 'Teal' (we will define this in the course) culture. Also, there will be plenty of 'compare and contrast' charts and graphics to help you visualize what we're talking about.

Even if you are not in a position to experiment with any of these concepts, it will help you become more informed about so you can easily hold your own in any workplace discussion. I know the opportunity for organizational evolution exists within organizations today. And, like in our bank so many years ago, your company may already be doing a little but didn't know it had a name.

Learning Outcomes

Participants in this self-study course will be able to:

1. Describe the evolution of organizations from the earliest recorded tribes to present-day multinationals.
2. List and explain how three distinct factors of organizational evolution could only happen in a society which has weakened or done away with class structures.
3. Identify and discuss several key events in the evolution of last century Western organizational thinking.
4. List and discuss the traits of a Teal organization.
5. Develop a strategy for implementing a Teal-like culture within their department.
6. Identify and discuss the two essential elements necessary for a Teal experiment to have any chance of success in an engineering culture.
7. Identify the key group within an organization whose support is critical for any chance of success with a Teal implementation.
8. Describe the key role trust plays in developing a Teal culture.
9. List three critical self-development factors that must be considered by any leader wanting to implement a Teal change in their work group.
10. Describe and implement several methods of improving employee morale.
11. Analyze any employee performance problems tracing back to their root cause.
12. Identify key factors from the past that resulted in their employees being the most productive.
13. List and discuss the five essential elements of motivation.
14. List and discuss the three essential elements of productivity.
15. Use a suggested guideline for implemented practices leading to a Teal community within a traditional engineering culture.

Intended Audience

The intended audience for the course is any strategically thinking professional engineer who wants to determine whether it is feasible and practical to charter a Teal culture path within their organization.

Ideally, it is someone in a leadership position who wants to gain a basic understanding of this organizational concept thoroughly enough to be able to implement it in their organization or at least participate in a thoughtful discussion if the opportunity arises.

Also, you never know when an executive will ask, *“Has anyone heard about these Teal organizations? Is there anything to it that we can use in our company?”*

Don't you want to be the only one who can provide a meaningful answer?

A Quick Review of Human Organization

Clearly, we have come a long way in our evolution as humans from huddling together around a Stone Age campfire for mutual safety to working together in a modern office. The structure of our relationships among each other has evolved from the simple to the complex as our abilities to think critically and creatively have also evolved.

A quick look at this organizational evolution is necessary to set the table for the discussion ahead. Since this course is built around a look at the 'Teal' organization, we will use the color wheel as a simple means to identify the various fundamental structures of human organizations ranging from the world of business to regional tribes, governments, and street gangs.³

The colors we will use to represent structures are:

Red Organizations

These emerged first in history featuring a local chieftain leading his followers into war and pillaging against the surrounding neighbors.

Although the amount of followers could grow into thousands and sub-chiefs may emerge, there was still just one powerful leader who only relinquished control when he died or was killed. This is also true in the animal world with wolves and their pack social order.

³ **Authors note:** It is necessary to state here that the book upon which this course is based, *Reinventing Organizations*, goes into great depth about the anthropological origins of and differences between each of these broadly identified colored organizations. Please do not hesitate to get that book if you wish to have a more than fundamental understanding of this fascinating content.

For humans, this was the model of the Viking invaders of Europe, native Indian tribes as well as street gangs and organized crime families today.

Typically, these organizations could not plan for the long term (beyond the current chief's reign) and were not very stable since they only existed until a stronger red organization came along and pushed them aside.

Amber Organizations

In time, man advanced his ability to farm which meant a food source was more predictable and dependable. When people no longer had to spend every waking moment foraging for food, there was time to develop their individual skills such as farming, weaving, building, etc. This led to larger populations with a sense of organization where we could assume some social stability, scale larger in size as our population grew, and begin to look toward the future.



The Great Wall of China, the Pyramids, and the cathedrals of Europe demonstrated our ability to plan ahead, organize labor, and continue our culture beyond the lifetime of the existing leader.

Amber examples of organization are the Catholic Church, the military and central government.

Orange Organizations

These organizations took the Amber concept farther by adding three essential factors: ***innovation, accountability, and meritocracy***. It is important to note that meritocracy could only exist in a society which has either weakened traditional class structures or done away with them altogether. Today's business world is full of Orange organizations.

We will break these powerful three aspects down a little farther to lay the foundation for the (potential) changes ahead as we progress beyond Orange.

- **Innovation** – It is the ability to question authority and what went before that is the foundation of innovation. Here is where we break from the traditional ‘way we have always done it’ to using our creative gifts. Clearly, the challenge of orthodoxy as we try to escape the restraints of tradition would have no place in the Catholic Church or any military or government branch. *(Note: Special military warfare teams are more Teal than the amber of the larger military branch from which they come as we'll discuss later.)*



In terms of engineering, the 'way we have always done it' is another way of saying 'process driven' which is a hallmark of Amber. Whether you call it tradition, custom, or routine, it stills means the same thing: that is our 'process'. It is the way we have always done it and that means we are not likely to change.

Orange structures have their processes, too, but they have a critical something else: *the capacity for projects*. While they may have an overall, Amber-like pyramid-shaped organizational chart with its vertical job progression silos, there are cross-functional project teams, virtual teams, internal consultants and subject matter experts available to others outside their home departments. This horizontal component means that Orange entities can grow faster, react quicker, and become stronger through their project skills.

- **Accountability** – Where the leadership of Amber uses a command and control approach, introducing accountability allows Orange leaders to *predict and control*. A C&C (command and control) leader would not only tell you what the objective was, but would also tell you how to achieve it.

In contrast, an Orange leader (Napoleon is a famous example of one) would identify the objective but *allow the subordinate the accountability of figuring out how to do it*. This requires the subordinate (if they are smart) to ask for input from others about the best way to achieve the desired outcome. It is the acknowledgment that *none of us is as smart as all of us (including the leaders)* that makes this very powerful.



- **Meritocracy** – This concept: the idea that anyone can do it if they have the merit to do so. This is theoretically, at least) encourage

Modern Human Resource activities like training and development, such as talent management, are based on meritocracy. Training and talent management systems, and talent

Green Organization

A purely Green organization is based on the feelings of the people. It is subjective to people's feelings.

Orange's achievement-oriented culture is right or wrong with a more practical 'what does it take to succeed?'. However, a 'Greenie' would argue that is too simplistic. There is more to life than just success or failure. All

