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Small worlds

Given the choice, would you prefer to catch the 7.15 train to Paddington every morning for another day at the office or work in a Broadway musical? This is the sort of option that may become increasingly familiar if large employers continue to invest their management systems with increasingly sophisticated controls and processes.

According to a US-based group of academics, the Broadway musical is a perfect example of what psychologist Stanley Milgram called a "small world". Milgram famously used a chain letter in a 1967 experiment designed to discover how people were connected to each other. He sent packages to 160 randomly chosen addresses in Kansas and Nebraska. Each package contained the name and address of a stockbroker in Boston.

But the recipients, instead of sending the package straight on, were asked to send it to a friend or acquaintance they believed might get it closer to the stockbroker. Each link in the chain was asked to add his or her name to the envelope. When the packages arrived Milgram found that most had taken between five or six steps, hence the idea of "six degrees of separation", which became the title of a play by John Gauré.

The story was related in Malcolm Gladwell's best-selling *Tipping Point*, which looks at the phenomena that create a momentum towards mass popularity. But Albert-Laszlo Barabasi* says the six degrees idea was first suggested by the Hungarian writer Frigyes Karinthy in a short story published in the 1920s. Now the theory has appeared again, in a study by researchers at Kellogg School of Management and Department of Sociology, Northwestern University, Illinois**.

The Kellogg study looked at the way career opportunities have emerged historically in the Broadway musical industry. Working through the names in production team and cast lists from the industry's inception in 1892, the researchers found that very quickly a distinct network of contacts emerged, from which the musicals would draw the core of their talent. The networks emerged around well connected individuals, described in the study as "hubs", who maintained connections with scores of actors, writers and producers. These networks enabled the musicals to flourish in their own "small world", without the paraphernalia of a formal organisation.

The more I read about management development in large organisations today, the more I wonder whether small worlds of interconnected professionals may offer a more attractive alternative to the soulless and growing obsession with performance measurement.

This week, lulled by the soft-sounding title, I opened a book called *Quest for Balance, the Human Element in Performance Management Systems****. Inside were pages of boxes, tables, diagrams and acronyms constructed around case studies. It is the kind of book publishers like to describe as a business tool: an instruction manual for those attempting to implement Robert Kaplan's and David Norton's Balanced Scorecard (BSC). The idea is to identify crucial areas of the business - customer satisfaction, for example - that are described as critical success factors (CSFs) and measure them. In the case of customer satisfaction, you could canvass customers, count repeat purchases or work out the time it takes to deal with complaints. These measures are

described as key performance indicators (KPIs).

It appears that these systems can produce measurable improvements in organisational productivity. I am sure they do. It makes a lot of sense to concentrate on the features of a business that create value. But what of the people engaged in carrying out the measurements and the people expected to respond? If systemisation removes the discretionary powers of managers, we may begin to ask why we should have managers at all.

When systems and controls are able to measure such critical areas of performance there is no reason why front line employees should not manage themselves and adjust their work habits accordingly. Surely anything that creates more efficient and effective organisations should be a cause for celebration. But I fear the long-term consequences of this kind of organisation.

Isn't performance management simply a way to control the work of managers? How will people respond to such controls? If you stifle individual initiative, character, discrimination and style, you remove qualities critical to job satisfaction, leaving a mechanical process. How many managers will turn their backs on such systems in the belief that there has to be a better way of living your work?

Pursuit of efficiency improvements has always underpinned the development of management and the organisation of work. Adam Smith was intrigued by the division of labour in a pin factory. One workman, he noticed, would find it hard to make one pin a day but a group of 10 workmen, dividing the task into separate and distinct jobs, could between them make 48,000 pins in a day. Later Frederick Taylor, the founder of work study, believed that his scientific management had discovered the "one best way" of working.

So manufacturing was reduced to its bare bones, in which a repeated action such as the clockwise turn of a screw became a job in itself. Craftsmanship, artisanship, individuality - even humanity - were abandoned in the search for ever more efficient production. Re-engineering and performance management continue this tradition. All these improvements are finding "better ways" of doing things for the organisation. But what about personal fulfilment, the stuff that feeds our soul and spirit?

Small worlds of networked professionals may not offer the security and potential for advancement in traditional salaried employment but they may offer far more precious alternatives, such as a sense of purpose, freedom of choice and the potential to exercise greater degrees of personal judgment. Systems can go so far in making things - but people make music, and that's entertainment.

**Linked, The New Science of Networks , by Albert-Laszlo Barabasi, Perseus, \$26*
***Emergence: Tipping Points, Small Worlds and the Structure of Career Opportunity in the Broadway Musical Industry, by Brian Uzzi, Jarrett Spiro & Dimitri Delis, Northwestern University, Evanston (mailto:Uzzi@northwestern.edu) ***Quest for Balance, the Human Element in Performance Management Systems, by Andre de Waal, John Wiley and Sons, \$49.95.*

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