

Mobilizing Minds: Creating Wealth from Talent in the 21st Century Organisation

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The key to this book is in its subtitle. In the age of agriculture and manufacturing, wealth was created by mobilising physical assets – land, labour and capital. Profit was maximised by achieving monopoly, until the major trusts were broken up, and by ‘sweating the assets’ thereafter. Economics was geared to scarcity, so that owning and exploiting assets was the source of economic power.

Globalisation, the growth of ITC and the Internet, and the resultant increase in competition have driven the greatest increase in wealth the world has ever seen. Economics is now geared to abundance and wealth is driven by innovation. Physical assets are no longer the key differentiator; the modern world is animated by talent, which has to be motivated rather than driven. *‘The value of thinking-intensive workers is derived from the value of their minds – the ideas they develop and the decisions they make – and from the intangible by-products of that work, such as the knowledge, reputations and relationships they create’*. The challenge for organisations is to organise themselves to exploit the abundant opportunities a talented workforce can create. For most organisations this means changing from being, in Harold Leavitt’s terms, ‘systemisers’ into ‘humanisers’. Out will go the rigid silos of vertical structures and the fixed links of matrix organisations, together with the confusion and conflicts they cause.

The authors see the new 21st Century organisations having –

1. a backbone line structure (maximum 3/4 levels, with a fully empowered front line, senior coordinators, top strategic specialists and CEO)
2. professional support groups, servicing, advising, safeguarding the line and managing professional apprenticeships to ‘grow new timber’.
3. across-company governance (CEO leads, not manages. Span of control with managers is 5/7 maximum, with leadership it is 20+. Governance committees ensure consistency across the organisation, drives the long-term health of the business and ensures consistent measurement of performance).

4. dynamic management (drives innovation in parallel with revenue maximisation through the line e.g. Reckitt Benckiser).
5. formal networks (allowing cross fertilisation between professional groups. Informal networks are created on individual initiative e.g. blogs. Projects are driven by ad hoc teams and integrated into the structure when appropriate).
6. talent market places (match talent to opportunities. Talent can be 'pooled', subject to minimal rules. Talent pools can be created to man projects or undertake internal consultancy).
7. knowledge market places (knowledge will be gathered and managed under three headings – distinctive (limited access), proprietary (owned by firm or others) and common (public source)).
8. financial performance measurement (focusing on intangible capital. Key measure is profit per employee, with return on capital as a subsidiary measure. Frontline units are contribution centres, not profit centres).
9. role-specific performance evaluation (evaluates individuals' own and cross-company roles – their own and their collaborative performances. Peer group as well as boss evaluation. Results set on a grid for comparison).
10. organisation design and strategy (decide on optimal future design to achieve long-term vision. Requires diagnosis to understand present working patterns fully, a master plan to build the optimal design and a game plan to define the steps towards achieving it. The process needs to win hearts and minds and shape optimal behaviours).

This radically new organisation is targeted at exploiting the abundant opportunities of global markets through creativity and speedy initiatives. To do so it needs to attract, grow and retain the best minds and empower them to perform for the whole organisation. Rigid structures will need to be replaced by enabling frameworks, supported by governance structures that encourage learning and excellence in performance. Openness and fairness need to be part of a values system that drives both individual aspirations and organisational performance. At the heart of this model is constant corporate and individual self-renewal, so that the organisation is constantly out-

thinking and out-performing its competitors. The authors continually return to a collegiate model, animated by professional values and servant-leadership.

‘Mobilizing Minds’ is an ambitious book whose roots go back to 1995, and which have been nurtured by systematic research within the ambit of McKinsey and involving many outside sources to that its ideas have been tested by both consultants and practitioners. Parts of the model already work in some organisations – clear roles (Toyota) driving innovation (Reckitt Benckiser), one firm culture (GE), talent markets (IBM, Amex). The challenge is to integrate the nine organisational changes shown above into the “organisation as strategy” framework. More crucially, the challenge is to attract and motivate talented people to turn the organisation into a sustainable creator of wealth. ‘Herding cats’ is doubly difficult when the cats may be more intelligent than their keepers and a new world is beckoning to them from beyond the garden.

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