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Five Disciplines of Organizational Success

by Kevin Wheeler | Jun 14, 2016 | Advice and How To's, Trends | 0 comments

CEOs and other business leaders are frequently heard complaining about their organizations' lack of innovation, their inability to find great talent, and the difficulty they have in producing products and services that are distinguished from the competition.

Back in 1990 Peter Senge published a book called **The Fifth Discipline: The Art & Practice of the Learning Organization** that may hold a formula for overcoming these issues. His book summed up his thinking about how organizations can more effectively adapt and change based on his systems thinking background at MIT. He had come to the belief that there were five core disciplines or elements that would ensure that organizations continuously learn, adapt to

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These five disciplines may actually be more appropriate to today's organizations than they were to the traditional firms of the 20th century. Attitudes about work have changed significantly; younger workers seek flexibility and control over how they work and what they do. The challenges of operating in a global context, overcoming cultural and economic barriers, and creating products with universal appeal and relevance are increasingly difficult. Product obsolescence, fickle consumers and disruptive technologies make it very hard to plan or to stay even slightly ahead of the competition.

Companies that understand the power of the five disciplines, that create deliberate processes to embed them and who follow them with rigor are frequently more successful and better able to cope in this confusing business environment.

Discipline 1: Systems Thinking

The first and perhaps most important discipline is systems thinking – the ability to integrate the critical elements of an organization and to understand how each impacts the other.

Companies are the sum of many sub-systems including R&D, production, sales, human resources, and so on. If these functions are not working in harmony and do not have an integrated view of what they are doing, the organization may find itself operating at a lower level than it would have been had it integrated these functions.

Most organizations have failed to achieve tight functional integration or even integration within a function. Silos are common and lack of smooth internal communication and understanding are often cited as causes of poor performance. For example, human resource functions routinely split recruitment from training and development and both of those are often split from performance management. This leads to an organization that hires people it may not need or who may not fit the culture while, on the other hand, losing people who feel they are not learning or are not being challenged or promoted. Behavioral issues and competency deficiencies are not fed back into the hiring or development process and it is hard to make any progress to achieving a highly trained and engaged workforce. IBM is an example of a firm that has integrated many of these functions and has a competent, engaged and long-serving workforce. Employees have been cross-trained and often perform many diverse functions.

When CEOs complain about not being able to find the right talent, it may be at least part case of not having a high performing, integrated talent management function to anticipate and

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be ready and planning becomes difficult.

In a learning organization these functions would be integrated and each would receive input and feedback from the other to better balance talent needs. Better hiring and development would lead to fewer performance issues and better development would raise the overall competency level. Fewer levels of management and more empowered employees would smooth communication.

Discipline 2: Shared Vision

Apple's success, for example, is centered on its strengths in design and in creating simple user interfaces. By having this clear understanding of what makes them different and what makes them successful, they have moved from being simply a computer company to one where whatever it makes or does is embraced by consumers.

Thousands of organizations have developed mission or vision statements over the past decade, but these statements, unfortunately, are rarely part of the fabric of the organization nor does every employee understand or echo them. They serve primarily as aspirations that few expect will be met.

Truly exciting and effective organizations strongly embrace the idea of everyone working toward a common and widely shared vision that is often broad and general enough to survive changes in tactical direction and product focus. These visions are focused around the true strengths of the firm and leverage those strengths to produce exceptional products and services. Toyota's vision is about producing defect-free automobiles and they have come further toward this than any other company in history. Their quality system is embraced by thousands and has become the standard by which many consumers judge other cars.

Google's now well-known motto of "do no evil" plays out in several ways including giving employees paid time off to contribute to charities as well as leaving China when its search results were censored. This commitment to a vision is powerful in pulling people together to achieve common goals.

Discipline 3: Team Learning

Cisco Systems and Ideo, a Palo Alto-based design firm, have deeply embraced Senge's discipline of team learning. They have integrated functions as disparate as human resources, engineering,

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They have learned that teams, especially those made up of diverse people, are far more effective in coming up with solutions to difficult problems and in bringing forth innovative ideas than are individuals. The term crowd-sourcing has come into vogue as an innovative twist on team learning. Crowd-sourcing makes the proposition that by soliciting ideas from a wide variety of diverse people new and better solutions and ideas emerge.

In 1998 Alpheus Bingham and Aaron Schacht who worked at Eli Lilly had the idea of reaching out to the world to get ideas and thoughts on solving intractable science problems and offering cash rewards to those who came up with solutions. They left Eli Lilly to start a website and company called Innocentive with major funding from Lilly. Its motto is "... harness collective brainpower around the world to solve problems that really matter." It quickly proved itself, by solving several challenges that they posed on the site. By using the concept of crowd-sourcing or soliciting ideas and solutions to problems from anyone at all, they have continued to see good results and the website has grown beyond soliciting solutions for a few companies only. There are now over 60 "seekers" who propose challenges and it is a widely used resource for solving a variety of problems in many disciplines.

Discipline 4: Mental Models

We all come to work with assumptions that are so embedded in our behaviors and thinking that we do not question them. For the most part, this is a healthy way to respond to the world. We assume that most things will be the same today as they were yesterday and that the ways we have responded to issues will remain relevant in the future.

But in the fast paced world of today, with new challenges and new global competitors it is important to understand our assumptions, articulate them, and decide which are still relevant and which are not. Pete Senge called these assumptions our mental models — those operating models about business, organizations, our products and services and about employees that need to be examined.

Some of the common assumptions we hold are that organizations need to be organized in hierarchies, that employees need titles, that everyone needs to be physically present, that working from 8 am to 5 pm is a good norm, that budgets and deadlines are important, that software needs to be developed by our in-house team, and that only certain people need certain information within the firm.



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encouraged to challenge their assumptions about everything and to experiment with new approaches.

Cisco System has been experimenting with reducing hierarchy by focusing on letting teams manage themselves, set their own working relationships, and widely share with each other. They have numerous cross-functional teams that have been creative and have saved money and produced solid business results. The world is so complex and product and customer needs are so intertwined that no one person can possibly have the knowledge to make good decisions. Teams are much better equipped to deal with complexity and ambiguity that are hallmarks of this emerging century. Teams can tap into the diversity of experience and knowledge within itself to discuss, examine and come to a consensus decision of high quality.

Information and transparency are also central to the success of these attempts. Silence and secrets are the greatest enemies of creativity and employee engagement. When management controls information and restricts who can know certain things about finances or product development, innovation declines along with employee commitment. Many excellent and highly valued employees have left their employers because of business uncertainty, lack of open communication and a sense that management was keeping secrets from them. What employees strive for is an understanding of trends and issues that affect them and their work.

Idea shares information widely, even solicits employee opinions on what decisions it should make concerning cost cutting, for example, and allows employees the freedom to contribute in a way that best matches their own capabilities with the needs of the firm. This transparent, team-based, non-hierarchical model embraces most of Senge's disciplines and has resulted in successful outcomes in record time.

By challenging assumptions, trying new ways, and being open to change organizations will better weather doing business in this complex world.

Discipline 5: Personal Mastery

Know thyself is a concept as old as the Greeks, but few of us take the time to really find what our core beliefs, passions and strengths are. Even fewer organizations realize how important it is for employees to find meaning and passion in their work. By letting employees take more control of what they do and how they do it, organizations build commitment and employees more readily take it upon themselves to build up their competencies and gain new skills. Many of us find our real passion in our hobbies, rather than our work, unfortunately. Dave Ulrich, a

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organization.

We have known for a long time that those who are in harmony with their work, have passion and are excited by what they are doing and who have a greater purpose in their work than making money are the happiest and most productive. Yet, organizations have shied away from helping employees take more responsibility for their work and from providing the means to improve their skills. This has been partly due to a mental model that personal reflection and development are not appropriate corporate activities and partly due to a fear that once people truly know themselves, they might want to leave. Some organizations also are afraid of losing what they perceive of as control over the activities of the employee if they allow someone to make their own decisions and do what they think is best.

Of all of Senge's disciplines this is the one that is probably the least acted upon and the least visible but has the potential within it for vast improvements in innovation, productivity, and engagement.

The Emerging Organization

Some of Senge's disciplines are taking shape in other ways inside emerging organization models.

The 21st-century organization is already smaller than were organizations of the past and more people are working independently than ever. There is a growing emphasis on collaborative networks, which is another way to say team learning and systems thinking. One of the best examples of this is when people are working together in an environment where sharing is essential to success, where anything held back or not exposed might derail the outcome, and where diverse inputs are solicited and incorporated into the solution. More and more work is project-based where these conditions are a given.

Many of these teams are self-organizing, which challenges a mental model that all work must be assigned and controlled by a boss. Leadership is fluid and changes as the project advances. No team like this could exist or be successful unless people were passionate about the work and were willing to take high levels of responsibility for gaining competence and contributing.

New software tools, social networks, wikis, blogs, as well as the Internet itself and the ability to work virtually, are accelerating the trend away from functional silos and dis-integrated v toward much more holistic and harmonious work teams.

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