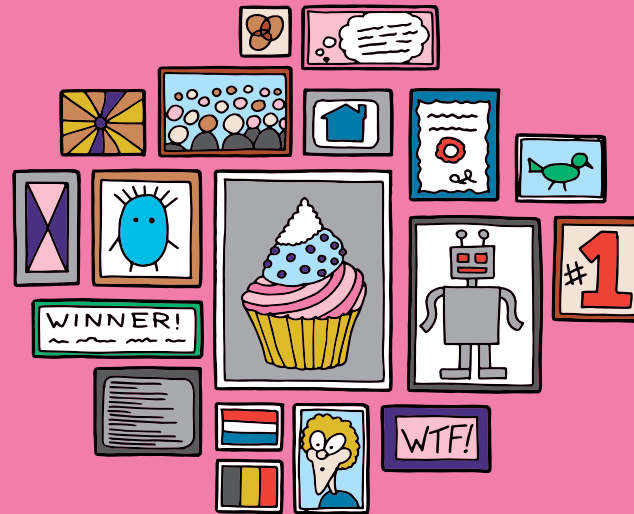


WORK EXPO



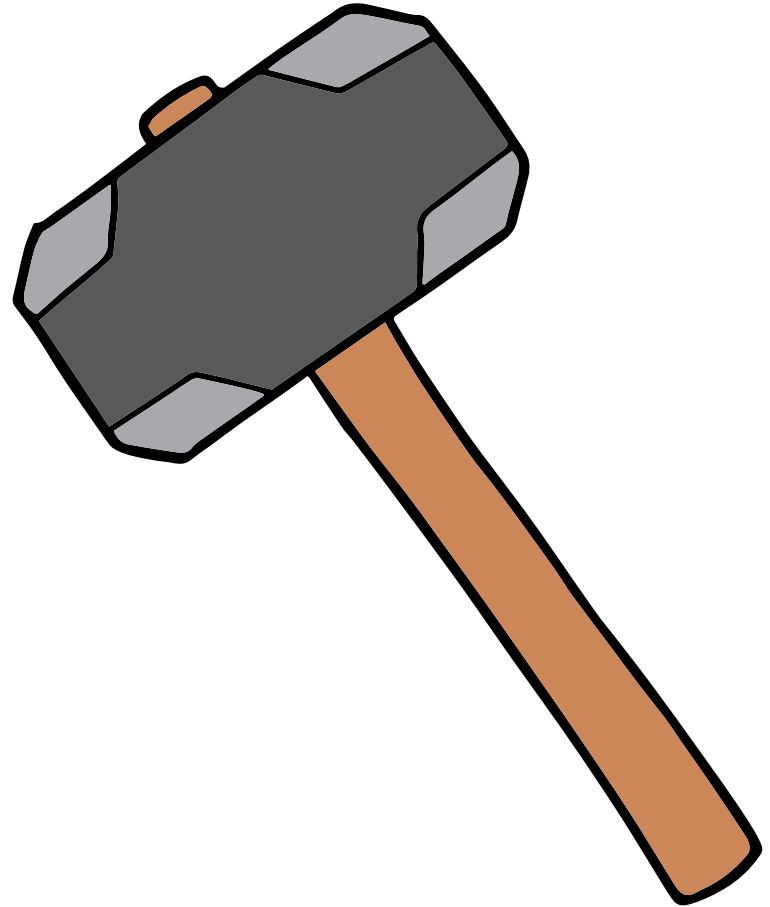
[MANAGEMENT30.COM/WORK-EXPO](http://www.management30.com/work-expo)

Management 3.0 Workout © 2014 Jurgen Appelo

The very purpose of existence is to reconcile the glowing opinion we have of ourselves with the appalling things that other people think about us.

Quentin Crisp,
English writer
(1908–1999)

Every business should start with one question—“Why?” Why do people decide to work together? An effective way to get this question answered is by creating an exposition of your work. Find stories that explain what you’re doing and why, and visualize these stories with pictures, videos, and artifacts.



When the young Zhang Ruimin in China was appointed as managing director of the Haier refrigerator factory in 1984, it didn't look like the kind of job anyone else would envy. The company was in serious debt. It produced a mere eighty refrigerators per month, and the quality of those was very poor. Then, on a good day in 1985, a customer came in and brought his broken refrigerator with him. As Mr. Zhang and the client went through the machines in stock, looking for a replacement, they discovered that a staggering one-fifth of the machines had failures. Mr. Zhang, a fervent reader of modern management techniques, decided to make a point by showing his employees how important he thought quality was. He lined up the broken refrigerators (each of which was very expensive in those days) and handed out sledgehammers to the workers. He said, "Destroy them! If we pass these 76 refrigerators for sale, we'll be continuing a mistake that has all but bankrupted our company." [Jinsheng Yi and Xian Ye, *The Haier Way* pag:23] Reluctant at first because the machines were worth more than two years of wages, the factory workers finally destroyed the machines, and, in order not to forget how important quality had become for them, they put one of the sledgehammers on display at the company museum. 🛠 Thirty years later, the story is still known all over China. With a market share of close to eight percent, Haier became the biggest producer of major household appliances in the world in 2011.

At the time of writing this chapter, Mr. Zhang still leads the company. And he is still on the lookout for new and better ways of management. I feel proud and honored that he wrote the foreword for the Chinese translation of my first book, *Management 3.0*.

Business Purpose

I take an interest in the purpose of organizations. If you ask any chief executive about the goal of his organization, there is a good chance that you will hear something along the lines of growth or expansion. But if the purpose of a business is merely growth then, from a biological perspective, we could call it a tumor. To me that doesn't sound like a healthy objective.

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Economist and Nobel Prize laureate Milton Friedman said the purpose of a business is to generate profits for its owners. [Friedman, "The Social Responsibility of Business"] Management guru Peter Drucker disagreed and said the purpose is to create a customer. [Drucker, *Management* loc:2557] Colleen Barrett, President Emeritus of Southwest Airlines, one of the most profitable airlines in the USA for the past 42 years, wrote that neither shareholders nor customers but, instead, employees always come first. [Blanchard and Barrett, *Lead with LUV*] Systems thinker Russell Ackoff had a more holistic view and claimed that a company's purpose is to produce and distribute wealth, not for its parts but for its environment. [Ackoff, *Re-creating the Corporation*] Consultant Jerry Weinberg, another systems thinker, seemed to have a more nihilistic view when he wrote that a system actually has no purpose. [Weinberg, *General Systems Thinking*]

All models are useful until they fail,
and some fail faster than others.

This can all be a bit confusing, until we realize that all models are useful until they fail, and some fail faster than others. All these writers are right, except in the situations where they are wrong. The truth is probably somewhere in a combination of all models. We want everyone who is involved in a business to find it valuable.



Unfortunately, for practical purposes, the message "we're all in this together" is often not very useful. 🧩 We have to simplify the world to make better sense of what we're doing. That's why we must narrow down the purpose of an organization by asking, "Why?" So, here we go.

Start with Why

In an era defined by the business, cultural, and social hangover from the excesses of the nineties boom—a period of Wall Street scandal, CEO misconduct, and unprecedented levels of mistrust between companies and their customers and employees—the most powerful ideas are the ones that set forth an agenda for reform and renewal, the ones that turn a company into a cause.

Taylor and LaBarre, *Mavericks at Work* loc:279

It would be a bit boring if everyone was the same. Fortunately, they are not. For example, some people have a passion for knitting. I'm grateful for that because it means I won't have to do it. For organizations, the same principle applies. It's great that some businesses have a passion for making refrigerators. It means that my company doesn't have to do it and can focus on something else.

In May 2008, a group of scholars and business leaders, led by management writer Gary Hamel, gathered with a simple goal: reinventing management in the 21st century. The very first “moon shot”, as Professor Hamel called it, was to *ensure that management's work serves a higher purpose*. [Hamel, “Moon Shots”] Author and speaker Simon Sinek wrote an entire book about the very same topic: finding the answer to why. [Sinek, *Start with Why*] It is my conclusion

that, although management writers love disagreeing about many concepts and definitions, the one thing they all seem to agree on is that everything starts with the purpose of the organization. *Why* do people team up to start a business together? Hopefully, it's not just to become rich but also to make a contribution to the world. Work is not only about Getting Things Done. It's also about Making Lives Better.

Work is not only
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It may seem a bit odd to talk about “who” an organization is, or what an organization “stands for,” but it is not odd if you look at it as a human community. As a community, the organization came into being because there were enough people who cared about something to pursue it together.

Senge, *The Fifth Discipline* loc:5900

Regrettably, three major problems usually stand in the way of a healthy definition of purpose.

Problem #1: Client Focus

As soon as a person, a team, or an organization defines its purpose as a focus on one thing above other things, there will be sub-optimization (improving one thing while ignoring another). When I focus on writing, I cannot focus on knitting. Somebody else will have to do the knitting, so I can focus on the writing. And maybe later, I can trade my wonderful book for someone's beautiful sweater. We have to realize that everyone is entangled in a web of economic dependencies, and therefore, the purpose you choose for yourself should somehow generate value for the others around you. Or else nobody will give you a knitted sweater.

This all makes perfect sense to complexity scientists, who have known for a while that complex adaptive systems find a global optimum through local optimizations and interdependencies. [Kauffman, *At Home in the Universe*] The parts in a complex system all try to optimize performance for themselves, but their efforts depend on the dependencies imposed on them by the parts around them. With a mix of competition and collaboration, the parts interact with each other without any focus on a global purpose. Nevertheless, the end result is often an optimized system. Biologists call it an ecosystem. Economists call it an economy. I call it common sense.

Most management scholars and experts have ignored the insights from the complexity sciences (or are unaware of them) and some have suggested goals that are too narrow. There are many corporate mission statements in the world expressing ideas such as, "Make money for shareholders", "Put customers first", and "Achieve superior financial results". [Denning, *Radical*



Management loc:1503] In each of these cases, the purpose of the organization is (too) narrowly defined as providing value to *one* type of client or stakeholder. 🚫

Management consultant Patrick Lencioni analyzed the various kinds of mission statements that organizations define for

Among the different kinds of mission statements, Lencioni also found examples with a primary focus on **industry** (“The work we do”) or **greater cause** (“What we want to achieve”). I think these are better choices because they allow for local optimization (which is fine), while not turning the focus on just one external relationship (which is not). For example, I could define my purpose as “becoming a great writer” (the work I like to do) or “helping people worldwide to enjoy their jobs” (the greater purpose I’m striving for). I have complicated value exchanges with many clients, including readers, writers, speakers, consultants, trainers, organizers, and freelancers, and some even more complicated exchanges with my spouse, friends, and family. Complexity theory allows only two clients to see themselves as more important than all the others: *me* and *everyone*. Dawkins, Hayek, Kauffman, and many other scientists and philosophers would agree that it amounts to the same thing. By focusing on *me*, while adhering to constraints imposed by *others*, I help to optimize the whole for *everyone*.

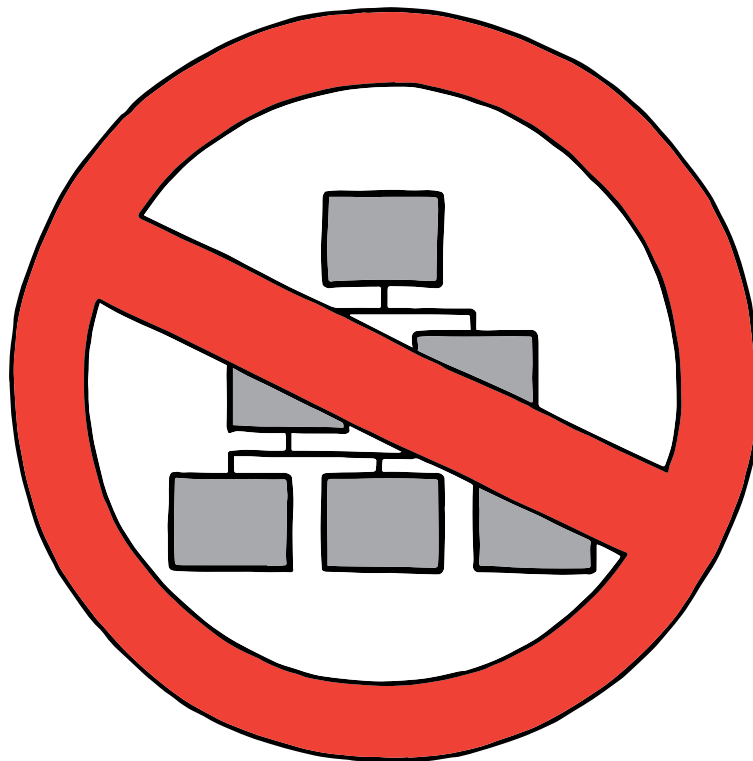
Problem #2: Goal Setting


Another problem I have with suggestions for goals and purpose in standard management literature is that most writers, consultants, and senior managers assume that it's a top-down exercise. The management team defines the direction, and the rest of the business has to be "aligned" to that direction. Only few management teams seem to understand that reality is, in fact, a little more complex.

It is assumed, without much questioning, that small groups of powerful executives are able to choose the "direction" their organization will move in, realize a "vision" for it, create the conditions in which its members will be innovative and entrepreneurial, and select the "structures" and "conditions" which will enable them to be in control and so ensure success.

Stacey, Complexity and Organizational Reality loc:288

My purpose as a writer does not simply disappear when I'm part of a community of trainers who are building a business focused on management workshops. I still need to write while I'm organizing events with others. Likewise, the purpose of an organization does not simply overrule the purpose of a team or the purpose of an individual.



The complex interweaving of collaboration and competition that we see happening horizontally between stakeholders is also happening vertically between different levels of abstraction. The purpose of an individual both aligns and conflicts with the purpose of the team, while the purpose of the team aligns and conflicts with the next higher levels of the organization.  The alignment enables

Employees subscribe to the purpose
of the organization,
while the organization recognizes
the needs of employees.

us to exchange value, while the conflict helps us to be creative and innovative. [Appelo, *Management 3.0* loc:1059] Complex systems survive because *both* happen at the same time. Alignment and conflict go hand in hand, both up and down.

Therefore, I strongly suggest that organizational layers are aware of each other's purposes. Employees subscribe to the purpose of the organization, while the organization recognizes the needs of employees. Teams will be in alignment *and* conflict with the goal of the department, while the department has to allow (and even invite) the emergence of the purposes of teams.



Problem #3: Mission Statements


I wrote the first version of this text in a bar in Melbourne. I had been there for a number of hours, enjoying a relaxed atmosphere, friendly service, nice music, good coffee, and great Wi-Fi. (As a global bumbee, I can say this is an almost unique combination.) I value good suppliers as much as I value good customers, and so I promoted the bar on Twitter, after looking up their details online. This is the company mantra that I found on their website:

When I was a little kid, some of my fondest memories were of the family holidays down at the beach. A fantastic ensemble of blurred memories filled with colour, excitement, adventure, food and that old weatherboard holiday house. Nowadays, we're all so busy and don't have time to visit the beach. Queen Street Rescue is exactly that! It's your rescue! It's a place where you can sit and relax and experience a little bit of the beach deep inside the City.

Queen Street Rescue, "Our Mantra"



And it worked. I had planned to have just a late breakfast, but I left after eight hours, three caffè lattes, lunch, tea, dinner, and a diet coke. The only thing I missed was half-naked youths on surf boards. (It was supposed to be like a beach, after all.)




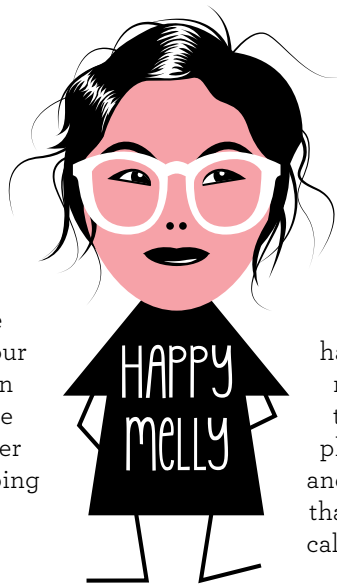
The creation of mission statements seems to be one of the favorite activities of corporate management teams. 🚫 Unfortunately, like poetry, many people try it, but only a few are any good at it. And then you end up with mission statements such as “Profitable growth through superior customer service, innovation, quality, and commitment” or “To be the leader in every market we serve, to the benefit of our customers and shareholders”, yadda yadda yadda. [McKeown, “If I Read One More Platitude-Filled Mission Statement”] Such mission statements are full of platitudes and abstractions; they don’t inspire or motivate anyone, and nobody ever lives by them. [James, “Why Missions Statements Are BS”]

I call them Vogon mission statements, the third worst kind in the universe. The second worst mission statement in the universe was written by a council of 63 lawyers on the planet Gnark, which, after the famous court case of Short-throat Sam versus the Cucumber, resulted in virtually all vegetables, and two very unfortunate species of fruit, being sued into extinction, while the last remaining settlement of carrots, celery, and radishes lived in exile on Gnark’s second moon, briefly thriving and producing green stalks with oddly protruding orange balls, until the untimely crash landing of Björn the Blender. The very worst mission statement in the universe was created by a company on planet Earth called Yahoo!

Storytelling

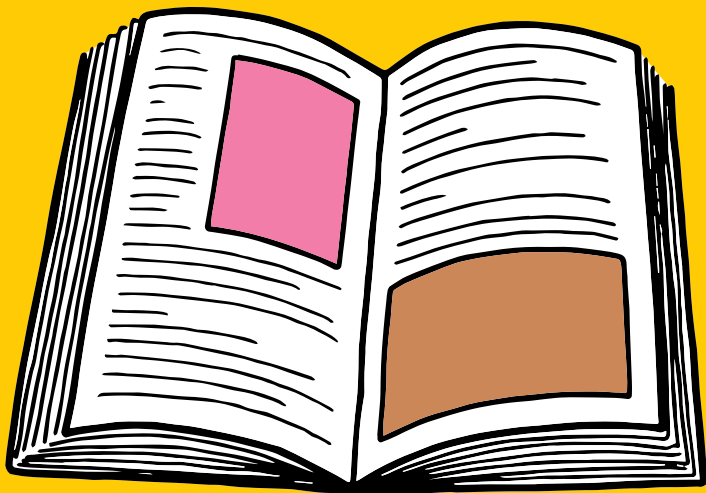
When you're serious about the question why, I hope you won't come up with something like, "To be the most essential global Internet service for consumers and businesses". That one has already been used, and, it didn't work. Instead, you might say something like, "We are your beach inside the city", for the simple reason that the memories of your time on the beach are your favorites. Or your mission could be to bring quality to people's homes because you have this CEO who is swinging a sledgehammer around, preventing any crappy products from escaping the company's premises.

The answer to why starts with stories. 



In the introduction to this book, I referred to the photo of Melly Shum who has hated her job for 25 years. And for 25 years, I have been wondering, "Why? Why doesn't Melly quit?"

Why are there organizations with jobs that people hate but won't leave? Can I help transform those organizations? Can I help Melly? The search for an answer to this question explains what I do. I've used Melly's photo at many conferences and in many workshops, and I used this story to suggest the name of the business that I started with some of my friends. The company is called *Happy Melly*.



One of the first things to do when you start working together with other people is to answer the question *why*. What happened in the past that made you do what you do now? What are the anecdotes, both good and bad, that you like sharing with others, to explain your work? Can you visualize those stories with pictures, videos, or artifacts? Can you spin these stories into myths, metaphors, or archetypes? Good stories are the glue which helps to hold communities of people together, and good stories are important for *attracting* people to such communities. [Karol, “Attracting Google-Quality Software Engineers”]

The answer to *why* should be connected to what you’ve actually been doing. If your behavior is unrelated to your purpose, you’re talking nonsense or acting without meaning.

Purposes are deduced from behavior,
not from rhetoric or stated goals.

Meadows, *Thinking in Systems* loc:206

POSIWID

There are some system thinkers who even go as far as to suggest that the Purpose Of a System Is What It Does, sometimes referred to as POSIWID. For example, the owner of a fitness studio can claim that the purpose of his business is to help people be healthier. But in practice, when many customers usually don’t show up, and when the fitness studio actually *expects* a good percentage not to show up—because otherwise they would need to hire more trainers which they

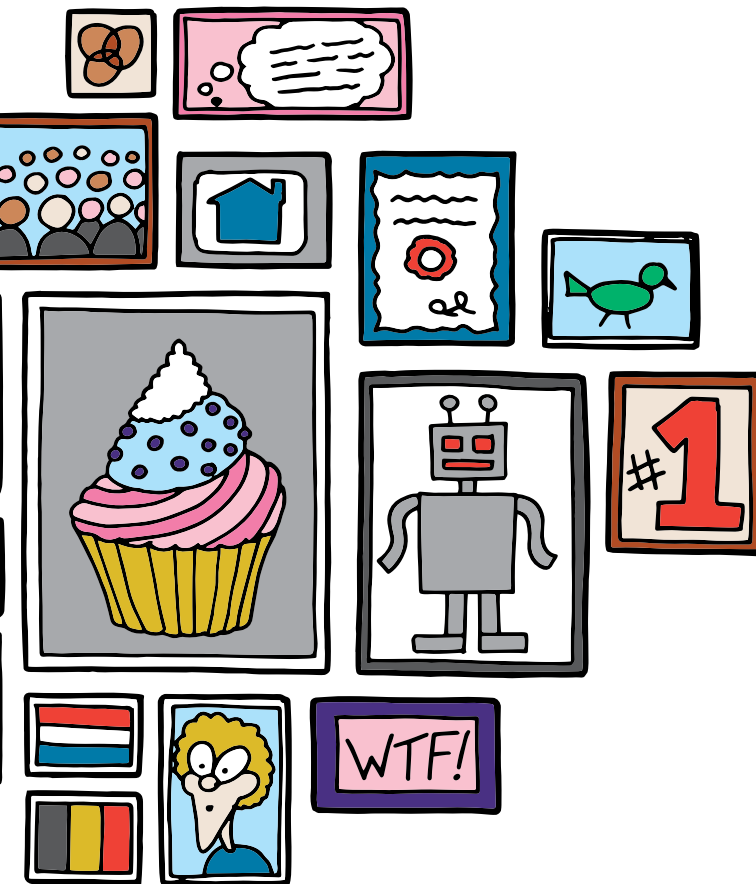
cannot afford—then the *purpose* of the fitness school is to *ensure* that a good number of people don’t show up. The POSIWID principle can be a useful (though sometimes also a bit cynical) reflection tool, but in my opinion it merely turns the word *purpose* into a synonym for *behavior*. It’s a matter of semantics. Personally, I prefer to associate the term with *desire*, *intent*, or *need*. This allows us to observe that, when behavior is not in line with intent, something is broken.

Show, Don't Tell

People love expositions, exhibits, and museums. Expositions about art, expositions about history, expositions about science, expositions about architecture, expositions about technology, expositions about biology (we call them zoos), expositions about photography, and (probably) expositions about expositions. If you are on vacation in Amsterdam, you can even go to an exposition about sexuality. And if you're on a business trip in China, you can go to an exposition about the company that invited you, like I did when I was invited by Haier.

Expositions and museums are popular because they tell stories with pictures or objects. They inspire people by showing both the beautiful and the terrible things that have shaped humanity into what it is now. Some things we hope to create more of in the future, while other things we hope to never witness again.

What would you have on display if your team had an exposition? Which photos, videos, sounds, screenshots, or texts would you show to your guests? Which emails, trophies, badges, or gifts did you get in the past that could serve as an example of what you want in the future? Which products, phone calls, or objects will serve as a reminder of things that should never happen again? Research suggests that adding a visual element to your goal-setting efforts brings you stronger results. [Dowden, "A Picture is Worth 1000 Words"] And artifacts



can contribute to the communication of shared values and purpose. [Robin and Burchell, *No Excuses* loc:586] So, which stories can you showcase with artifacts to emphasize your goals?

When you are able to create a nice exposition about the work in your team, department, or organization, it is likely that you have found and visualized your purpose.



Mood boards

“I learned something similar from my former CEO. Our company had grown fast and our culture had difficulty keeping up. The CEO decided to collect data about historical events in the company, quotes from employees, and physical artifacts that together captured the essence of the company. He then had posters and other materials printed and hung them all around the office. It really helped employees not to lose sight of the original purpose and to reinforce the culture of the business.

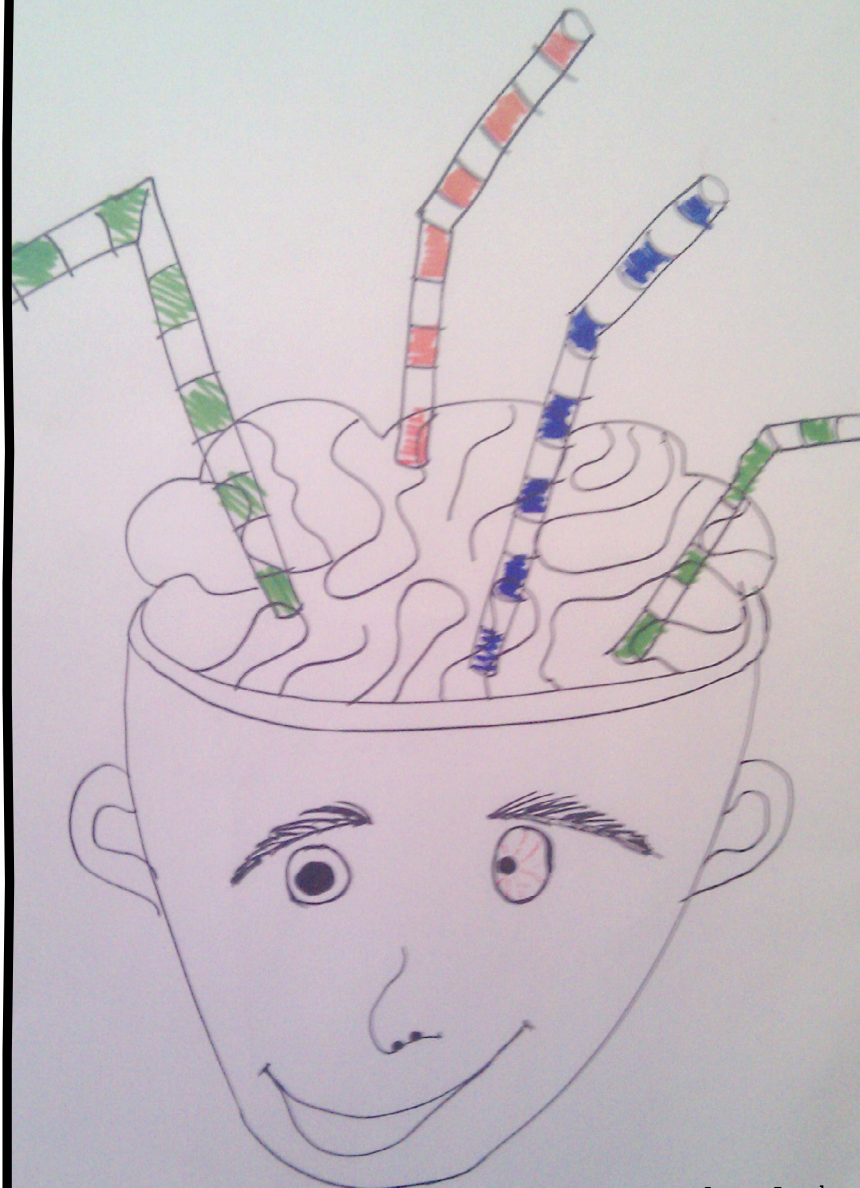
Later, I used the same exercise during the kick-off of several new projects, though I called the result *mood boards*. It entailed covering white boards with pictures of customers, features, designs, and other stuff that captured the “why” of the projects we were about to start.”

Johan Oskarsson, Sweden

What Now?

Let's see if we can make the abstract but important job of answering why a little more concrete for you.

1. Select the level of purpose. Are you defining a purpose for yourself, for your team, for your department, or for the whole organization?
2. Collect all the favorite stories that you (or other people involved) like to tell about your past, both the good ones and the bad ones.
3. Select the stories that are the best examples of what you want or don't want to happen in the future.
4. Find items that can represent these stories so you can showcase them in your own little expo.
5. Evaluate the things on display, and use them to achieve consensus about your purpose. Prevent the use of specific stakeholder references, such as customers, employees, or shareholders. Instead, refer only to yourself or to the community of clients collectively.
6. Compare your purpose with the purpose one organization-al level up and one level down, if available. Notice the inevitable conflict and alignment. But don't overrule one with the other; just be aware of the differences.
7. When people create a Vagon mission statement, put them out of their misery. It will be a mercy.



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HAPPY MELLY {8-}



DEVELOPING A LEARNING MINDSET WITH "YAY!" QUESTIONS

Ping Ah, email. And a good one at that: my friend Robie Wood with a great story. Robie works at showVALUE, a company that specializes in agile management, training and other stuff like that. With 31 years of solid experience, he's an old hand in the business. Anyway, he recently read Jurgen Appelo's "yay!" questions [...]

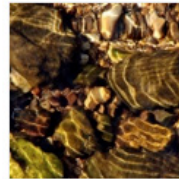


March 31st 2014 by Melly



TRANSPARENCY: GOOD FOR BUILDING TRUST AND STRENGTHENING THE TEAM

Do you know how much your colleagues make? Did you tell them how much you make? Is that an uncomfortable question? This week I came across this article on the Quartz website. It's about Buffer, a social-sharing app and website and how they decided to put the salaries of all their employees online. The result: [...]



March 28th 2014 by Melly




Happy Melly is a network of businesses organized around the purpose of helping people be happy in their jobs. We do this in a number of ways: through books, conferences, workshops, apps, and more. We want you to join us - in your own way - to create better places to work.

WEEKLY INSPIRATION

For a regular supply of stories about people and companies experimenting with happiness at work, we recommend visiting our

BLOG


<http://m30.me/melly>



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RAPIDLY SOLVING PROBLEMS FOR SOCIAL GOOD

Welcome WIKISPEED!

We are very proud to announce that Joe Justice and the incredible people of WIKISPEED have joined Happy Melly.



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IS AN EASY WAY TO SHARE YOUR THANKS

your card Type your thanks message Share it to friends

CREATE KUDO

Virtual Kudo Box

Use our new online Kudo Box application to send a token of appreciation to anyone who deserves it!



BE IN TOUCH

Do you want to stay in-the-know with how you can help lead the way in creating better places to work? We recommend our

newsletter

<http://m30.me/newsletter>

(sent once every 2-3 weeks).