

# How Organizations Change

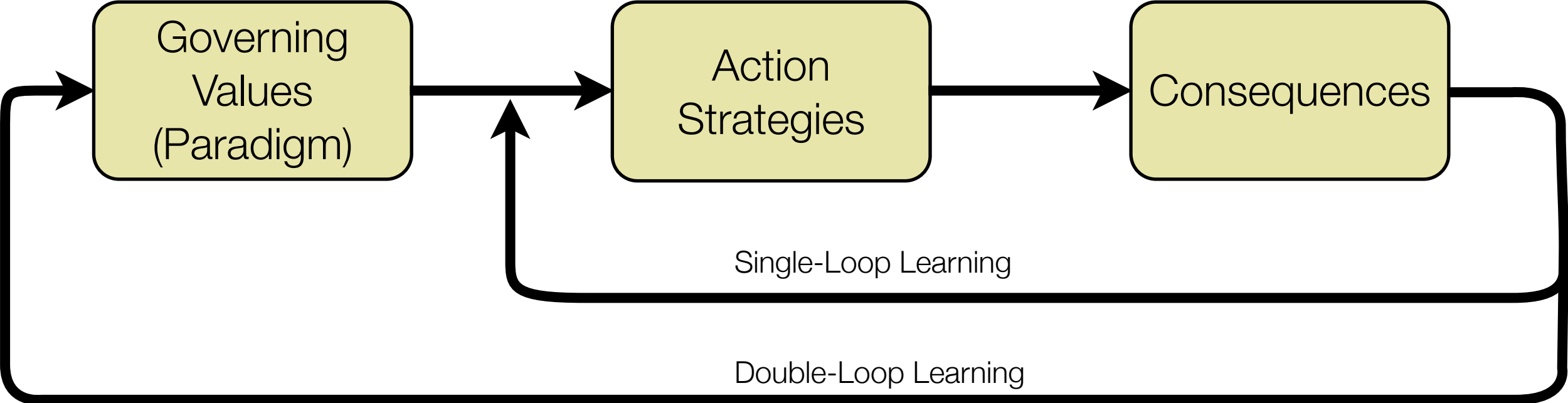
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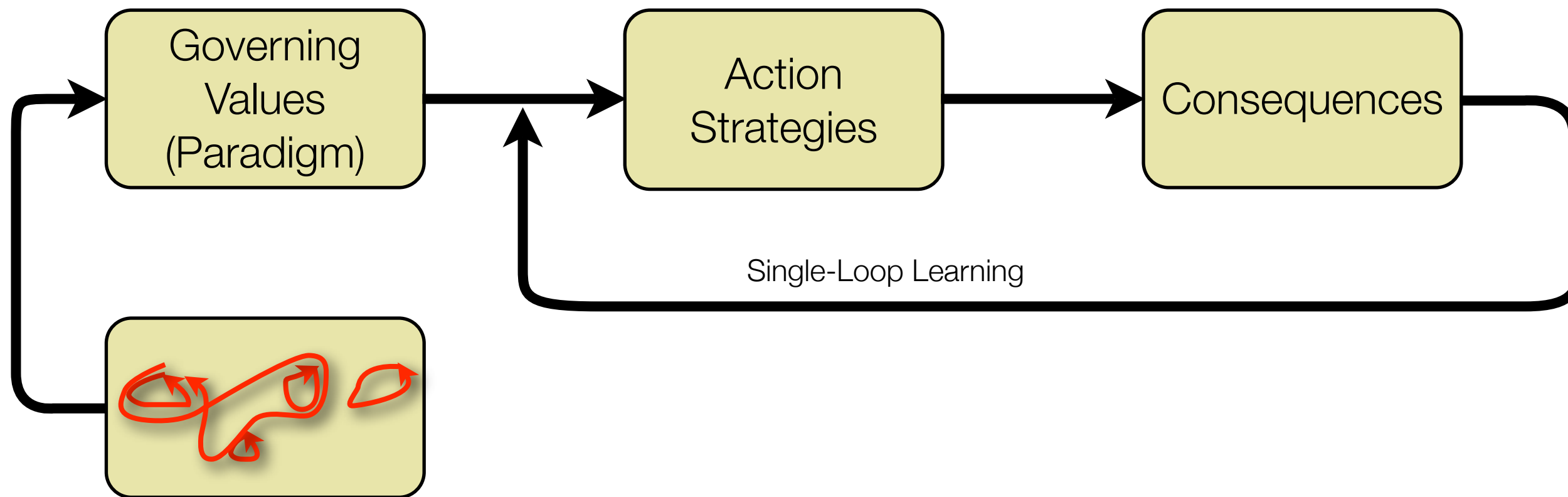
## Part Three: Learning to Learn

by Henrik Mårtensson

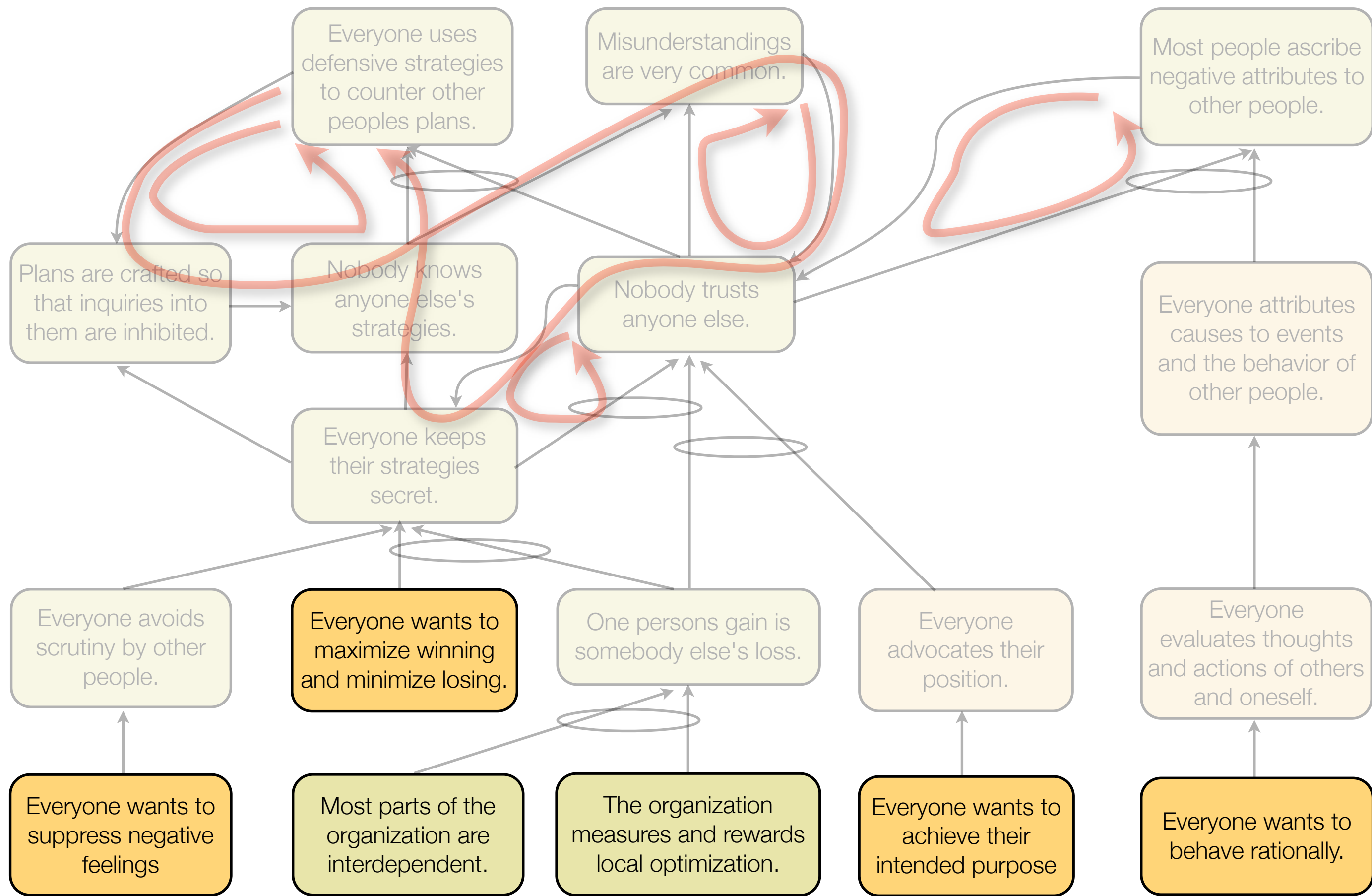
# The Double Loop

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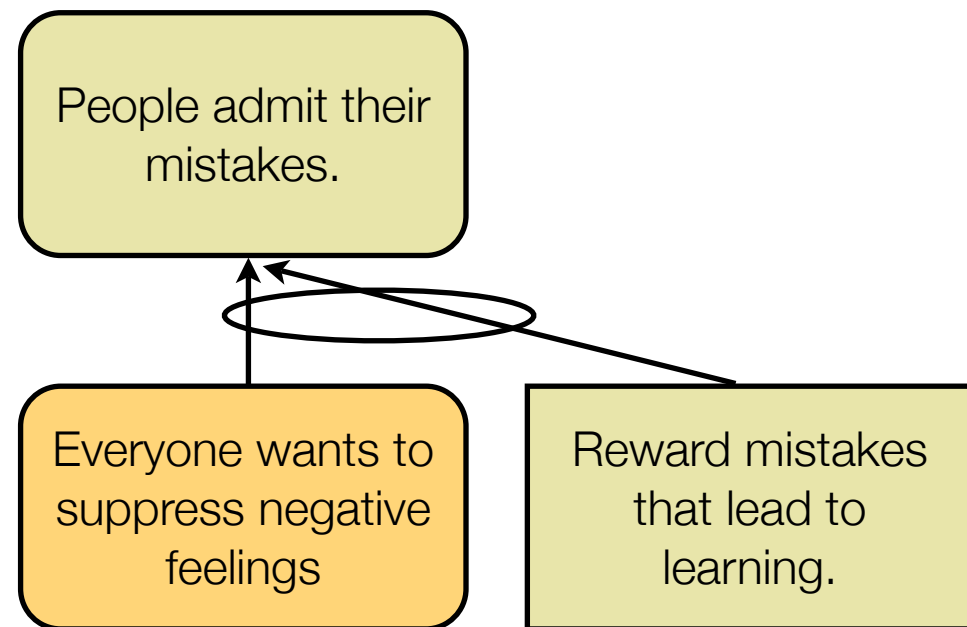




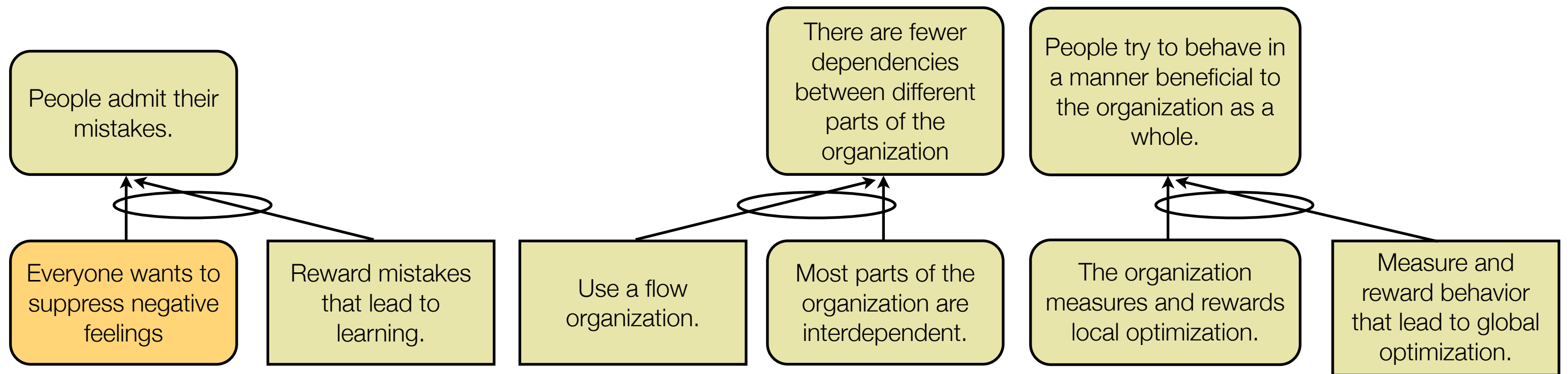
We found that most organizations have built-in features that cause self-sustaining feedback loops. The feedback loops make it difficult or impossible to change the organizations governing values.



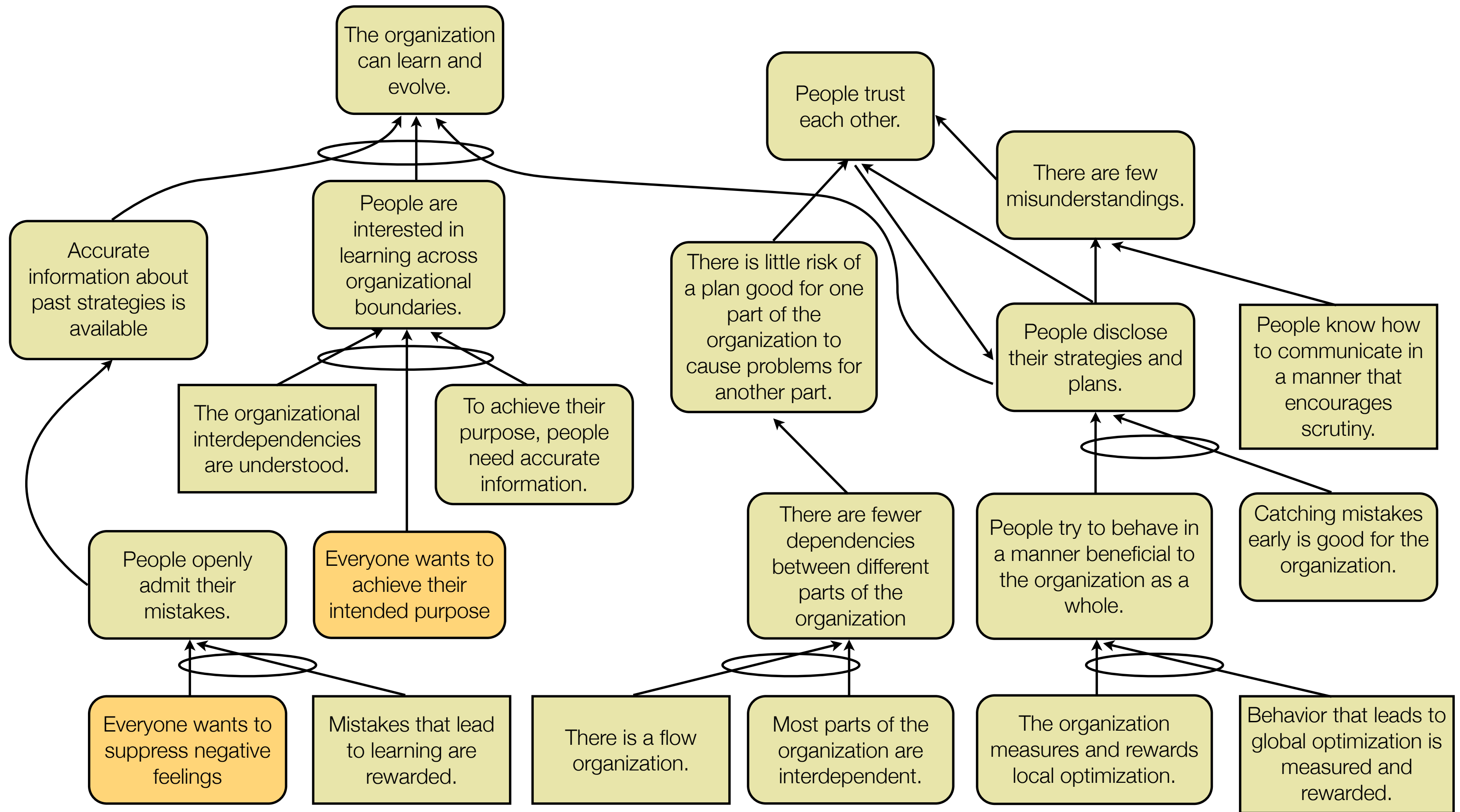
We also found root causes - our own governing values, in combination with the organizational set-up. This gives us plenty of levers to change the organization. We won't attack the basic values, at least not directly. Partly because it is very difficult, partly we do not want to. For example, we do not want people to behave irrationally, or stop trying to achieve their goals. What we want to do, is to make the basic values work for the organization, and ourselves, rather than against us.



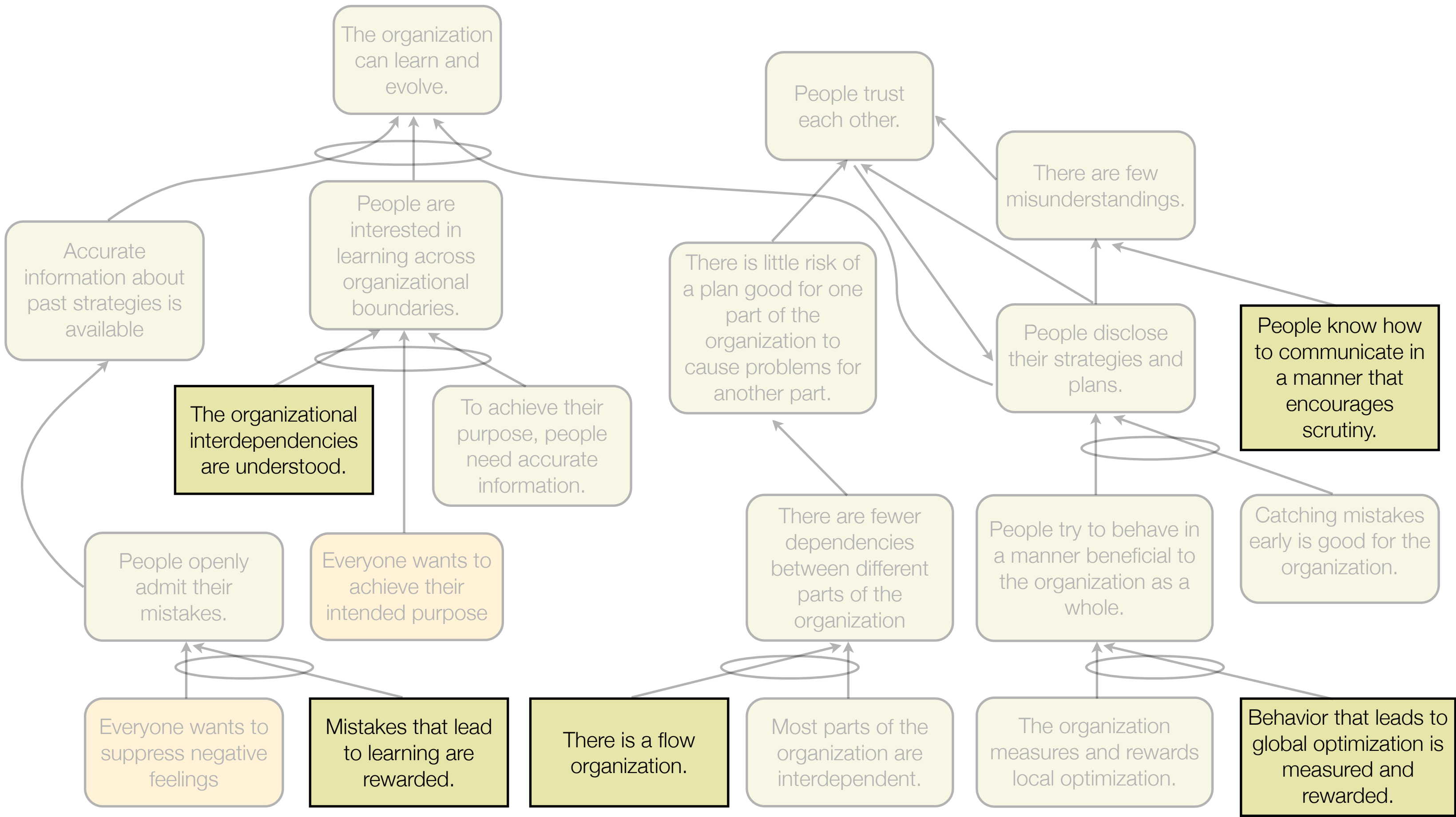
To begin with, we can start rewarding mistakes that lead to learning. A reward can be anything from a pat on the back or a few appreciating words, to a banquet and a fat cheque. I'm leaning towards the appreciating words approach myself, but the full range of possibilities have been used by various organizations.



We can reduce the interdependencies between different parts of the system by having a flow organization. Note that this is often just a side effect. The main purpose of using a flow organization is usually to reduce lead times and inventory. Perhaps the most important thing to do is measuring and rewarding behavior that leads to global optimization.



People no longer have an incentive to hide or distort information. Disclosing strategies and plans is now a strategy that brings rewards. We do need to add a couple more things. People need to understand organizational interdependencies, or they will still be interested only in their part of the organization. They must also have a way of communicating strategies and plans that encourages scrutiny. Let's focus on...



...the changes.

The organizational interdependencies are understood.

People know how to communicate in a manner that encourages scrutiny.

Mistakes that lead to learning are rewarded.

There is a flow organization.

Behavior that leads to global optimization is measured and rewarded.

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- Management uses a systems thinking approach

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- Management uses a systems thinking approach
- Be consistent and visible over a long time

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There is a flow organization.

- Management uses a systems thinking approach
- Be consistent and visible over a long time
- Teach communication techniques

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Behavior that leads to global optimization is measured and rewarded.

There is a flow organization.

- Management uses a systems thinking approach
- Be consistent and visible over a long time
- Teach communication techniques
- Use IO maps, TLTP and Evidence-Based Management

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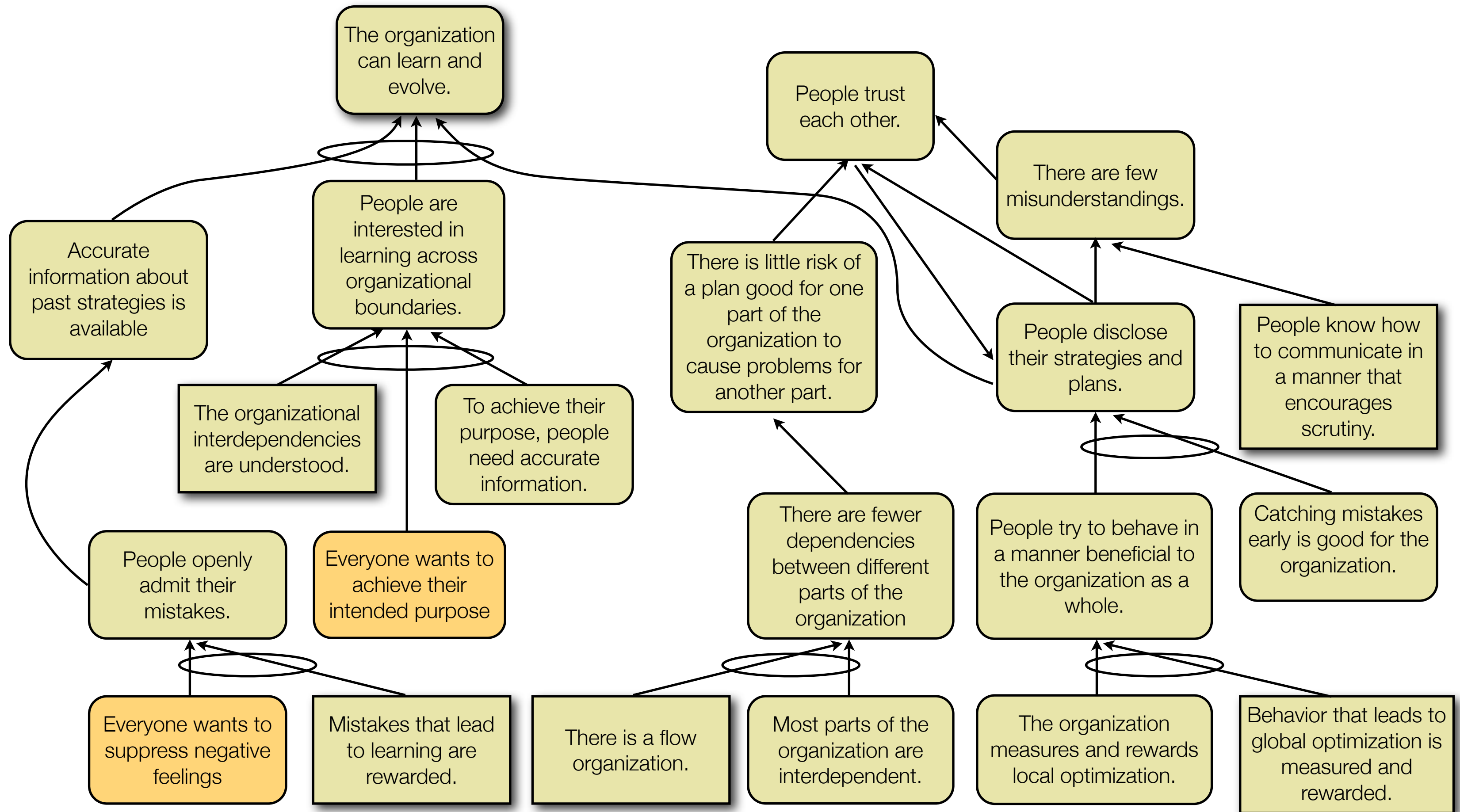
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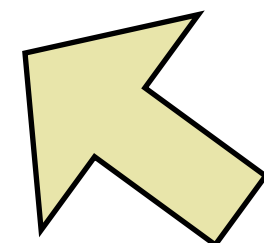
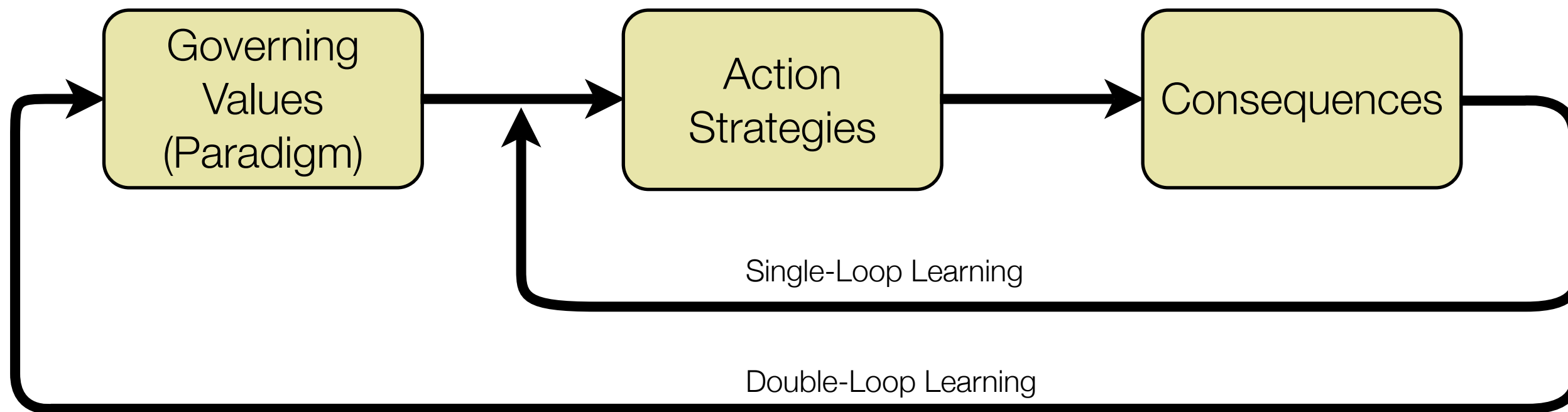
Behavior that leads to global optimization is measured and rewarded.

There is a flow organization.

- Management uses a systems thinking approach
- Be consistent and visible over a long time
- Teach communication techniques
- Use IO maps, TLTP and Evidence-Based Management
- Look to TOC and Lean for guidance



Remember that this generic map is just a starting point. It isn't complete, nor is it adapted to your company, and its operating environment. Treat this map as a source of inspiration. Adapt to the circumstances you are facing. In order to implement the changes, refer back to the change process in the first part of this series.



The organization  
can learn and  
evolve.