

Management F-Law #56:

Competition consists of conflict imbedded in co-operation; the more of such conflict, the more co-operation

Two tennis players in a friendly match are in conflict with respect to winning. But they co-operate with respect to a more important shared objective, recreation. The more intense their conflict, the more fun and exercise they derive from the match. If the co-operative objectives, fun and exercise, do not dominate the conflicting objectives, winning, then the match is neither a game nor competitive. It is a fight.

Competition is conflict according to rules. The rules ensure the co-operative outcome of the conflict. When the rules are broken, co-operation evaporates and conflict alone remains. This is why competition always requires a referee.

In economic competition the conflict between alternative suppliers should serve the interests of consumers. If competitors collude to 'bilk' consumers - as in price fixing - they no longer compete; they co-operate with each other and conflict with consumers. Government is supposed to be the referee that prevents economic competition turning into conflict or pure co-operation. But government is a supplier of regulations that are for sale in the lobby.

Response from Sally Bibb:

Hmmm. I don't think this is the point. Once companies start training their magnifying glass on the competition they've lost the plot. Really great companies pit all their energies and resources into doing what works for the customer.

Look at South West Airlines, Innocent Drinks, WL Gore, Metro newspaper. They all work in very competitive markets. Had they attended to what competitors were doing, the changes they'd have made to the competitive landscape would have been incremental. What they actually did was imagine a new way of doing things that would excite and please the customer. In doing so they made huge leaps forward and broke the mould in their respective sectors. They did not waste their time on competitive analysis. That only leads to 'me too'. Those who set up these companies and set their values and ways of working were pioneers not 'me-tooers'. Pioneers aren't known for thinking about competition and rules of competing. They create their own rules.

Off the point? Yeah, sure? I'm a pioneer.

56. Competition and conflict imbedded in co-operation are for the old guard: pioneers are good at doing a 'flanker'

*An extract from **Management F-Laws** - the new book by Russell Ackoff, Herb Morrison and Sally Bibb*

Editor's Note

Welcome to newcomers to the Triarchy website and newsletter. You, along with those readers and friends who received our first newsletter, will know that Triarchy Press launched last year with the publication of *The Three Ways of Getting Things Done*.

Future plans

US edition: Later this year we will publish *The Three Ways of Getting Things Done* in the USA and bring out several new titles.

F-Laws: I'm delighted that we will launch *Management F-Laws* by Russell L. Ackoff (right) and Herbert J. Addison. Russell Ackoff has written many books on Management Systems and still figures high in the list of the World's Top Business Brains. To find out more about him go to:



<http://encyclopedia.thefreedictionary.com/Russell+L.+Ackoff> and <http://ackoffcenter.blogs.com>.

The book follows in the tradition of C. Northcote Parkinson's famous *Parkinson's Laws* and is an ironic take on how business functions despite itself. Sally Bibb (below), author of *The Stone Age Company* and co-



author of the award-winning *Trust Matters*, gives her own feisty responses to Ackoff and Addison's bad laws or f-laws. Sally is a Young Turk, a self-confessed pioneer of good practice. She has her own website at www.sallybibb.com.

The conversation between the authors is funny and wise and brings a light touch to the debate on change. Insisting that understanding the *status quo* is what makes change possible, the book will be a great gift for anyone who has experienced the frustration of working in a hierarchical management structure.

Management F-Laws will be launched this autumn - giving you plenty of time to add it to your Christmas Wish List!

The Three Ways of Getting Things Done

I'm happy to say that the book has been received with enthusiasm. Thank you to those of you who have written or e-mailed with comments and critiques, some of which can be found on the new **Join the debate** page at www.triarchypress.co.uk.

The book seems to have struck a chord; many people are expressing a hunger to find better ways to work in organizations other than in a hierarchy. It is my hope that Triarchy Theory helps in forwarding the debate on how positive change can be achieved.

The kind of books that Triarchy Press publishes will form part of an ongoing project to understand how organizations work and to find new ways to make them work better. But the publications are only a part of what we are trying to achieve. Interaction is another. I hope you will become part of our growing community of readers and thinkers by joining the debate. A space is dedicated on the website where comments and ideas can be aired. Academics and practitioners might also consider submitting short articles relating to Triarchy Theory or other topics relating to organizational change. Details on the **Join the debate** page.

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June's newsletter will give you details of more new titles that will continue the debate on challenging hierarchy both from practitioner and theorist perspectives.

Send your comments to www.triarchypress.co.uk and follow the links to the **Contact Us** page. I look forward to hearing from you.

Gerard Fairtlough

Triarchy Events

In the future Triarchy Press will host its own events as well as encouraging its authors to pursue lecture and interview programmes. For example, early next year we are planning a seminar on challenging hierarchy in education.

This seminar is driven by the production of a forthcoming Triarchy book by educationalists who describe the risks and opportunities of moving away from traditional organization in schools and who relate to the ideas promulgated in *The Three Ways of Getting Things Done*. The seminar will offer the chance to members of the Triarchy Community who work in education to share their experiences and to explore ways to innovate and change the working environment for the better.

Triarchy Partnerships

Another way that Triarchy Press aims to be different from other publishing houses is in its development of partnerships with people, institutions and organisations who share the

common interest of how to understand organisations and make them work better.

Our first partnership will be with the Complexity Programme at the London School of Economics. The LSE **Complexity Group** has been working since 1995 on the theory of complex social systems and its application to practical problems with several business partners. They include BT, Citibank (New York & London), GlaxoSmithKline, Shell (Finance, International and Shell Internet Works), the World Bank (Washington DC), the NHS, Rolls-Royce (Aerospace and Marine) and many others in both the private and public sector. Its business partners take an active role in research projects and help fund the Complexity Research Programme.

The partnership with Triarchy Press will consist of the publication of a series of books arising out of their research. It will be edited by Professor Eve Mitleton-Kelly and is scheduled for 2007-08. Go to www.psych.lse.ac.uk/complexity for details of their programmes and events.

Authors

We welcome book proposals on all aspects of organization structure, management and change and we've developed a streamlined system for submitting and reviewing book proposals. If you think you've got a book in you follow the **Write for us** link at the website.

Ordering

I want to thank the many readers of our first book for your lively and encouraging comments. Some of those comments appear on the **Join the debate** page at our website www.triarchypress.co.uk.

When we set up Triarchy Press we intended to make ordering the books easy and established a link through to the Amazon website. But many of you have chosen to order directly from us. We like this as it allows a more personal contact with our readers. Within the next month or so we will be making ordering from us even easier by giving you the option to buy the books online at our website. Book shops will also find it easy to order through the website. In this way we hope to give you an improved service with plenty of choice.

Final Word

The most important factor in ensuring that Triarchy Press is a different, exciting and innovative purveyor of ideas about organizations and how to make them work better is the community of which you are a part. We welcome your comments and suggestions about how to make it work for you. Keep the emails coming to mail@triarchypress.co.uk.

Rosie Beckham

News and Reviews

The Three Ways of Getting Things Done has had quite an impact and we've been delighted by the extensive coverage in the Press and on Radio.

Peter Day's BBC Radio 4 and World Service programmes attracted a lot of attention. *Get rid of the hierarchies* placed Gerard alongside anti-hierarchical movers and shakers like Peter Senge and Ricardo Semler. Day's interview was so insightful that we thought we would print an extract from the programme.

'Why is working in large organizations often so unrewarding? Why does it seem so purposeless, apart from the pay packet? Work takes up most of our waking lives for most of our lives, yet in many cases, work does not really work. What a waste!

A new little book by Gerard Fairtlough addresses this big dilemma. It's called "The Three Ways of Getting Things Done". It is worth considering his arguments because Mr Fairtlough is not an academic or a consultant hustling to make money out of a new Big Idea.

He is a veteran British businessman with a considerable track record: a 25-year career at Shell where he rose to be chief executive of Shell Chemicals UK. Then, in 1980, he founded one of the few really successful British biopharmaceutical companies, Celltech, and ran it for 10 years. (Last year Celltech was sold to a Belgian firm for \$2.5bn.)'

So Gerard Fairtlough's objections to the way things are currently done in business are based on lots of experience. What he dislikes (along with many other management thinkers) is hierarchy - the conventional way of getting things done with command and control and bosses.

It is, says Gerard Fairtlough, hardwired into the human makeup, but that doesn't make it useful or productive.

"It is corrosive to be in any part of a hierarchy," says this man with his long experience of one of the greatest corporate bureaucracies of all at Shell, not pulling his punches.

From his own experience at Shell Chemicals, Gerard Fairtlough started to realise that what was expected of the chief executive was "incredibly artificial"; ritualistic dictatorship.

At the same time he realised that he didn't know enough to tell other people what to do. Much better that the chief executive interfering was a chance to talk to people throughout the organization, deliberately sharing views to arrive at jointly held agreement and consensus.

Gradually Shell people realised he was offering them a resource to work better and enjoy their work more, he says. No names, no titles (though in fact he did not abolish the old ones at Shell).

"What you do is talk a lot, agree on a procedure and get on and do it," he says. "What people are labelled is far less important than agreeing on how to get things done."

Gerard Fairtlough calls this second approach to operations Heterarchy. It's a word taken from the social scientist Jay Ogilvy, and it means multiple or dispersed rule.

Sceptics will ask: "Why do old-style hierarchical companies seem to work so well, then?" Only because almost all companies are run in the same way, says Mr Fairtlough. There are really no heterarchies to compare them with.

Mr Fairtlough admits that abandoning familiar command and control is fearsomely difficult. Replacing it with heterarchical organizations will take a century or more. It doesn't mean getting rid of leadership, just dispersing leadership throughout an organization to give people a purpose.

And there's a third way of Getting Things Done: Responsible Autonomy, self government for an agreed purpose. Agree on an aim, and then say to a group of people: "Go off and do it". Outside the familiar framework of checks and balances, but within some predefined criteria.

One of the few notable recent successes of the troubled Sony Corporation is the famous game console the PlayStation, created by secret skunk work that the company had told its people not to pursue: autonomy (you might say irresponsible autonomy) in action.

But to most companies it sounds like chaos: risky play with shareholders' money. Mr Fairtlough says that is what he did with his fledgling start-up CellTech: convincing shareholders to invest in a company that might in 10 or 15 years produce a drug that paid off.'

Story from BBC News:

<http://news.bbc.co.uk/2/hi/business/4386186.stm>

Also see Richard Donkin's review of the book at:

www.richarddonkin.com/x_hierarchy.htm

The Three Ways of Getting Things Done is now on several MBA/graduate reading lists and we're pleased by the speed with which key reference sites have picked up on Triarchy Theory. It is already posted on www.chamberonline.co.uk, on the useful www.bized.ac.uk and is a Global Business Network Book Club selection (search for "Triarchy" on: www.gbn.com). Gerard's ideas have begun a debate in Organizational Studies and he will speak at the Cass Institute in April, The Society of Organizational Learning in May and at the annual conference of the NHS Confederation in June 2007, where he will discuss leadership and the problems of hierarchy.