

Seminar Notes On ‘Managing Networkorganisations: A practitioner's view’.

Abstract: Herman Roose charts the remodelling of 'Oranje', a social-profit organisation in the private sector which offers a service to the disabled in Flanders (Belgium). The problem was how to cope with a fast expanding service and at the same time utilise the new government regulatory framework in a beneficial way. What was needed was an organisational design that was robust and flexible at the same time. Implementing a networked design inspired by general systems theory, complexity theory and management experience was drastic but is currently successful.

(These notes are supplementary to the presented papers and constitute a brief synopsis followed by the discussion which took place. For more detailed analysis and illustrative diagrams refer to the original text. Questions raised in the discussion are often abridged and because of sound recording difficulties, only the main presenter is referred to by name).

**Director of Complexity Research : Eve Mitleton- Kelly
London School of Economics
Houghton Street
London WC2A 2A**

Presenter : Herman Roose, CEO of Oranje Belgium.

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by Geoffrey J.C. Higgs 18/6/02**

Introduction

'Oranje' provides a wide range of social services to disabled people in Belgium comprising some 50 small scale projects. In the last five years the organisation has grown by over 100%, not only in terms of increasing numbers of co-workers and consultative structures, but also in terms of project diversification, within the new government regulatory framework in which disabled people are considered full citizens able to manage their own life-project when properly supported. What has emerged within the subsidy-system is a 'client following budget' in which disabled persons become clients who receive money to spend on required social services. Within this new system balances have to be met, and new relationships between the supply and consumption of social services have to be found. Oranje has strived to build an organisational design that is both robust and flexible though the move to such a complex and evolving system had to take the following considerations into account:

- that control is not an option
- that the future is not easily predictable
- that predictability has to be exchanged for probability
- that no-one is able to overlook the fast evolving environment
- that open decision points or bifurcations are constantly encountered within the state space of possibilities.

Rebuilding the organisational management to a 'horizontal and networked design' was drastic and involved dealing with a number of opposing requirements. Some of the main problems were how to distribute information but avoid overload, how to empower co-workers but nevertheless have a strong management, how to build the hyperconnectivity and interdependence but not allow it to have a paralysing effect. This overall change process was inspired by an emergent synthesis of general systems theory, complexity theory, business administration and profound management experience.

The Downstream Evolutionary Path of Organisational Development

The period from mid 1995 to early 1997 was known as the 'connecting phase'. Initially projects were scattered over a broad region and operational units tended to be very loosely coordinated. Also, although there were local interactions, there was little horizontal interconnection in terms of information and different operational units tended to evolve in semi-isolation. Given such a lack of constraints imposed by management some of the units became little baronies or tribes with a strong (often implicit) leadership of an informal chief. The initial goal was therefore to:

1. Burst through the isolation of a few little baronies and reinstall the action of the value-driven attitude of the original trail blazing organisation.
2. Connect the units and the co-workers so that the exchange of available knowledge was facilitated, in order to stimulate the learning process and the emergence of new ways of thinking and acting.

Connecting involved instigating a consultative structure where unit co-ordinators came together to share knowledge and experience. In operation the service involves gaining practical knowledge in the field. This is much like riding a bike. Though the manual points out the different parts of the bicycle learning is very much a trial and error process - often involving painful knees.

Drastic change involved the following:

- Every unit got a co-ordinator
- Teams were reassembled - breaking through the local balances that slowed organisational change
- The breaking of local powers (baronies) led to an outflow of co-workers who could not fit the increased horizontal and vertical connectivity.
- New co-workers brought input in the form of new ways of thinking and vision.
- Units that provided the same kind of service had to be clustered.
- Connection of expertise and knowledge broadened the radius of action and problem solving.
- New patterns emerged.

In the period from early 1997 until 1999, internal connectivity led to increased path dependency and inertia with a consequent decline of innovative capacity. The fast spaced scaling up led to an exponential increase in additional units causing severe co-ordination problems. It was difficult to find a balance between self organisation of a unit and alignment with the rest of the units. The increase in actual and potential interconnectivity required the clustering of similar projects to prevent unmanageable chaos. We noticed that change in a particular unit considerably affected the organisation as a whole and other units in the cluster. Moreover, after a few years units aligned too well and the number of new start-ups decreased. Connectivity within the system could be classified in four ways:

'Continuous' - in which co-workers or units have an interdependent working relationship. are very well aligned and understand each other 'without words'.

'Pulsating' - in which the interdependency is limited and the connection is not 'open' all the time. Sometimes contact is planned but usually ad hoc and sometimes coincidental.

'Broadband' - where there is a growing symbiosis between team members or groups concerned with the modus operandi, budgeting or contact with the local authority etc.

'Smallband' - concerned with the purely functional such as the exchange of figures with the accountant or with the office staff on the degree of capacity utilisation.

It was the continuous symbiotic effects that were the most important. In time the thinking, sensing and acting of the players (co-workers, teams, units, etc.) became maximally attuned resulting in a diminishing diversity of service and experimental start-ups. We wanted to avoid the shared blindness and decreasing path-dependency of this converging effect.

During the period 1999 until 2001 the internal connectivity was decreased in favour of external connectivity with the local and/or relevant context of the unit. In other words that part of the environment that the unit believes or assumes to be of critical importance for the evolution and thriving of the unit. The alignment group (clustering) became a management team and each unit was encouraged to build their own micro strategy. This was not an evolution back to isolation and disintegration of the organisation. Micro diversity was stimulated and units explore new and divergent paths of evolution, new ways of thinking and acting. The process of sharing and exchanging is not however continuous but ad hoc or pulsating and becomes not symbiotic but cross pollinating - a fragile dynamic equilibrium.

Conclusion

The experience of the last 7 years is that the co-evolutionary capacity of the organisation is both affected by too little and too much connectivity. Too little connection leads to 'isolation' or the absence of emergence whereas too many connections leads to detrimental symbiotic processes and even chaos. Our hypothesis is that :

- The 'optimal zone' lies between hypo and hyper-connection and is rather narrow.

- That its precise position is by definition unknown and determined by a number of interacting factors.
- That the position of the 'optimal zone' shifts towards a greater degree of connectivity and alignment for a linear process because 'best practices' can be learned, but in the opposite direction for a complex process.
- Defining the optimum degree of connectivity is impossible because it is process and context relative and thus volatile. The only option is to cycle through hypo and hyper-connectivity in a pendulum like motion.

The Upstream Processes

In order to keep the organisation fit and flexible and counteract gravitation towards the petrified state it is important to stimulate a number of 'upstream processes':

(a) Co-workers Learning 'a new vocabulary and a new science'

In addition to managing the service, control in terms of budget, and cost in terms of optimal use of resources have to be considered. In a distributed networkorganisation, management control cannot be centrally steered and in order for every unit co-ordinator to exercise their own management control, each has to be able to distinguish between linear and complex process. The management team were given a two day introductory course in systems and complexity thinking and the unit teams a shorter one with roughly the same content. Both of these were designed to inculcate a 'new vocabulary' and a 'new way of looking at (social) reality'. In the field of linear processes (e.g. cost calculation, management control, budgeting, deployment of working hours, administrative procedures etc.) it is possible to predict, optimise and calculate. In the field of non-linear or complex processes (social service, therapy, care, collaboration etc.) it is not.

(b) Creating 'a space of consultative possibilities'

When congealed patterns form in mutual consultations it leads to the kind of symbiosis which diminishes diversity of service and innovation. In calling together all co-workers of Oranje we explained our concern about the symbiotic processes and the increasing inertia we encountered. Our problem was that we didn't know which consultative body or congealed consultative structure we had to do away with and which was still useful. It was decided to abolish all congealed connections and consultative bodies and create a 'space of possibilities' that allowed every co-worker or unit to connect with anyone of any team if he or she was of the opinion that the exchange of (information, expertise, material etc.) was sensible. This was subject to the following constraints:

- Every unit had to realise its own mission or assignment goals.
- The available resources did not change.
- The addressed co-worker of the contacted unit was allowed to refuse the connection or collaboration if he or she felt it was not in his or her own interest.
- Members of the board (management team) were available to offer all necessary support without restriction.

Under this regime the connections and consultative structures became liquid and ad hoc. Consultation was activated when needed but content, intensity, place, time, assembly, mandate etc., varied. A new structure soon emerged consisting of an umbrella body called 'the Plenum' which was an assembly of directors and unit co-ordinators for all units and which came together each month to discuss managerial, strategic and co-ordinating issues. The board was re-configured with permanent members and what are called 'revolving chairs', in which

co-ordinators or co-workers can be invited or invite themselves to discuss a proposal board meetings. However 90% of consultation takes place outside these two fixed arrangements. In this way every co-worker and unit has to become aware of the connection they really need to execute their tasks. Combinations and interconnections are regularly renewed which provokes emergent synthesis. Co-workers are kept focused and management and field worker confront each others logic. This new 'organic' formation of consultative structure seems more capable of coping with the constant and rapidly changing environment in which we find ourselves.

Other Ways In Which Innovation Is stimulated

Multi-tasking for unit team members

Scientific research into project management shows that the innovative performance of a project team declines after 12 to 18 months. To counteract this 'downstream' process an internal 'professional mobility plan' stimulates job rotations and job mutations. This recombination of co-workers not only leads to knowledge sharing but to new unpredictable problem solving. Such new assemblies extend the radius of action, the problem solving repertoire and the 'adaptive walk' of the unit.

'Decontextualisation' of knowledge

Recruiting co-workers who already have experience in providing a service to disabled people is the comfortable downstream way but it does not contribute many new elements or new ways of thinking and acting.. The input is largely 'more of the same' and the confirming and conforming input strengthens the negative feedback process. Oranje no longer habitually recruits new co-workers who have previous experience (except for standardised linear process) but prefer people from profit organisations such as hotel and catering, manufacturing and banking etc. This importation of 'decontextualised' expertise enables exploration of a space of possibilities to give new emergent syntheses. Even if it fails the results are often fascinating.

Far-from-equilibrium state

The effect of the far-from-equilibrium state on self organisation is well known. Every unit, team or organisation can be located on a continuum that spans from order to chaos. Human beings and therefore social systems are conserving of the status quo and change, gradients and diversity are demanding and frustrating. Teams when left alone have the tendency to gravitate towards homeostasis and predictability. The different factors which promote the innovative state are:

(a) Heterogeneity of the team - every team needs self willed co-workers who are headstrong in an acceptable and communicative way, assertive enough to defend divergent opinions but adaptive enough to integrate the input of others.

(b) That Restless Feeling - appraisal of the future is that it is challenging, fascinating, full of opportunities under the condition of constant alertness.

(c) New Co-workers - It is a challenge for an existing team to cope with the arrival of a strange new colleague with strange new ideas and strange ways of doing things.

(d) Job Rotations and Mutations - Each group or team possess qualities that the components (co-workers) do not have by themselves and could not be predicted from the individual properties. Every recombination potentially increases creativity and problem solving capacity.

(e) Strong Client/Market Oriented Mentality - Oranje's motto is '*if you have a question, come to us and we will do everything possible to relieve your problems and needs*'. It is a

value driven disposition which for the organisation replaces the control systems. It challenges co-workers to look for new approaches in which the service is moulded around the specific need of the client.

(f) Paucity of Means - *'Only one who has resources can be indecisive'*. If an organisation only has use of sparse means it is forced to use them in a very creative way. Shortage of means and the passion to realise new projects leads to 'adaptive walks'.

(g) Leadership is about Process - Management enables teams to form their strategies. It must stimulate 'upstream' processes without pushing the organisation over the edge.

Distributive 'Fields of Tension'

Networkorganisations are distributive organisations. The distribution of information, the distribution of steering and the distribution of control or locus of influence are important 'fields of tension'.

1. Distribution of information - In a networkorganisation information is broadly distributed or at least easily accessible. The problem for Oranje has not been 'who is entitled to get what information?' but 'how can we avoid an information overload?' With the advent of e-mail and the Internet the emphasis of the strategy has had to be changed from a 'push' or broadcasting strategy to a 'pull' or 'call' strategy in which information, with the exception of very unit specific information, is sought by the individual co-worker.

2. Distribution of Steering - When information influences thinking, feeling and thus behaviour it is considered 'steering information'. Since in Oranje, the organisation is client or market driven, information does not come from management, but from the client or other actors in the local environment. A co-ordinator is assigned to a unit and co-workers or teams are hyper-connected. Sensing, thinking and acting is influenced by a virtually infinite number of factors that come from all directions and in Oranje this is termed '360° steering', though teams are not absolutely 'self steering' and management is involved in the strategy formation of the unit.

3. Distribution of control - The classical management system is one of 'command and control' in which the legitimacy of power lies in the hierarchical structure. Unnecessary steps in a decision making process have the following adverse effects:

- De motivated employees - Co-workers often have important strategic information and know what to do better than anyone else. It is frustrating and counterproductive when everything has to be approved by higher management.
- Learned helplessness - If every new decision is taken by management, field workers do not learn to make their own decisions, distrust their own problem solving capability and do not cope with new situations.
- Lack of redundancy - In a mechanistic organisation every co - worker is like a gear wheel in a piece of machinery. If one piece breaks down the whole chain is affected.
- Inability to adapt - A bureaucratic mentality is not a threat to an organisation if the environment is very stable but it becomes one in a fast changing environment.

Empowerment is embedded in the subsidiarity principle. Oranje has a 'content oriented influence hierarchy' in which the legitimacy of power is the nearness to relevant information and the capability to convert it to knowledge and adaptive action. This is also called the 'maximum 1 step principle' in which the person nearest to the relevant information must take the appropriate decision. He or she can however hold a consultation with someone. A CEO does not interfere in such '1 step' action but is concerned with general matters. Only the board of directors, for example, could have the relevant information to negotiate a loan. This 'oriented influence hierarchy' can be illustrated by the polyhedron (ball) diagram (see part 2: The Upstream processes) in which the controlling face (management unit, co-worker unit etc.

) alternates according to context. Every face can be the centre or the top depending on the perspective. For example if a person wants to start a new experimental project and they do not need additional funding or co-workers they can do so. Management is only distantly and indirectly involved. On the other hand when it concerns the recruitment of a new co-ordinator for a unit and it affects the overall interests of the organisation, the managers are at the top and centre of the decision making (see diagrams in paper two).

Discussion

Part 1

Quest : The 'downstream' evolutionary path of organisational development has four successive stages. If an organisation has to be adaptive does it need to actually die and if it doesn't need to is the adaptive stage sustainable and should this be the state that organisations should strive to maintain?

Ans : The micro-organisations or units strive to do so, but the network itself has to stay alive and parts of it may have to die. Oranje has a few ground rules, but it's about an idea, a vision. It's healthy for parts of an organisation to die and be recycled and sometimes it is the only way to break through the inertia or out of date way of thinking. It has been important to avoid the 'petrified' state. At present we are talking about a conglomeration of some 50 different projects so it is much more a story of a network of units. We need to think in terms of the viability of the whole.

Quest : One of the things that is struggled with is the tension between what remains constant and the change necessary for innovation an emergence, the relationship between organisational memory and connectivity as the possibility of finding new solutions. Is there a danger that in order to illustrate the system we have to use expressions and graphics that suggest linearity?

Ans : We have a natural tendency to linearise because that is how we have been taught so description of the dynamics of complexity is difficult.

Quest : Organisations are started with people as the building blocks and they have learned skills and knowledge. Are there really any ways of organising that are 100% new?

Ans : When a co-worker goes to a new company his or her knowledge and skill will be influenced by the new environment and vice versa, which may look like an example of linear causality but in reality is a process of evolution and change that is complex. There are really two implications here for the whole organisation. One is that the outcome is unique and is the result of an interaction between an internal and an external environment. There is a whole range of conditions and circumstances which affect the outcome. The process is iterative and there are different option paths. What happens in a particular case depends on the unique relationships within and without.

Quest : How many people are involved in the organisation and is there something different between a 'not for profit environment' and a 'for profit environment'?

Ans : The core of the organisation has about 100 employees but there are also 400 volunteers and in the subsidiaries there are about another 50 employees. Oranje is really like a movement and there does not seem a difference between a 'not for profit organisation' and a 'profit organisation' in terms of process though they are not related as far as the content is concerned.

Quest : What is the importance of diversity in the network and how important is it to sustainability and survivability? How much more difficult would it be with less diversity and is the ratio of 4:1 volunteers to employees as far as new ingredients being brought into the organisation?

Ans : People come to us with a number of complex problems and therapy needs. We have a rapidly evolving structure. Now that the previous structure has been radically changed we do not have much money and we have to be very agile in answering this challenge. We have learned that if we have a lot of micro diversity in the social service there is a good chance that at least one unit can provide an answer. The high ratio of volunteers brings new ideas and vision from the outside environment. In general there are two kinds of volunteer:

(a) Young students who are critical and challenge the status quo. In the early days they came to purely do social work, but now they come to realise career ambitions.

(b) The early retired who want to do something with their free time and put something back into the community.

It is not known whether Oranje will exist as an organisation in 5 years time. Not that it will be abolished but it could be integrated into another whole or it may disintegrate and be recycled. Though the legal structure may die, identity can go on evolving. It's a bit like composting. Death is an essential part of the natural process because it gives the possibility of new life. Of course in compost heaps certain things like seeds and roots are sometimes indestructible, so good things as well as bad things may pass from one system to another. The West Yorkshire Playhouse is a good example of the effect of volunteers in an organisation. It has a similar ratio of volunteers to staff as Oranje and tries to reconcile the 'raison d'être' of individuals within the whole. Older people feel part of something bigger and the volunteer is seen as being just as important as the Artistic Director. The network respects the voluntary contribution and this affects the way the organisation is talked about in society at large. Creating meaning and identity in an adapting organisation and labels are important. In a health organisation the label 'public health' was killed off because it restricted how people saw themselves and it liberated them by moving them into different avenues of work. Though actually what they are now doing is very good public health. But they found a way of getting out of the history and baggage of the old relationship.

Quest : What are the ground rules in Oranje and have they evolved?

Ans : The ground rules of Oranje spring from an authentic indignation about some very grim situations of people who do not get any social service at all. This is one of the main motivations. This is the soul of Oranje. So employees often come with a certain anger, about the system and a desire to change it. Oranje is a something of an irritation to the government but they respect us. We are very value driven organisation. It's a very important ground rule and our external motto is '*If you have a question, come to us*'. We will keep in touch and go far to seek at least a partial solution. Another ground rule is to have an action driven attitude. People who come to Oranje have to work hard both as a co-worker and a volunteer.

Quest : Has there been an formal analysis in terms of the change in the client base vis a vis the number of staff and volunteers and any second order analysis of the petrification process?

Ans : Oranje has about 2000 clients at present. There has been no scientific monitoring but the correlation between phase transitions and turnover of staff was evident. In the first stage many employees left because they wanted to be their own boss and could not stand the implications of the hyperconnectivity. Oranje of course, wanted people who could be their own boss but who were socially oriented enough to discuss the matter with each other to find solutions. In the early days Oranje was a very pioneering organisation and the phase lasted a long time but the problem was that in the end it endangered its survival. Some new internal regulations had to be instituted because it was too anarchistic. Another significant observation has been that whereas people in the past were totally committed to the organisation as far as their personal goals, we have a generation coming up that challenges that ethic and sees it as important that there are things in life other than working to help disabled people. That's been a fascinating and healing input for us.

Quest : People organise themselves through networks and we tend to think that it gives more flexibility and the diversity engenders creativity and so on but it may lead to social polarisation and there is a strong anti-globalisation movement. I was wondering if you have experienced this effect?

Ans : The network is only the infrastructure. Every organisation is a network and a network is about the exchange of meaning or formation of meaning. It engenders creativity and innovation and freedom but we have an ability to ignore it . In the Oranje organisation the new horizontalisation results in what we call 360° steering. In the early days of Oranje there was a lot of isolation this was very helpful in creating new horizons. It is difficult to see Oranje as isolated today but there were occasions where visits were made to the other side of Europe and projects were found to have a different evolutionary history. Hyper-connection can make learning difficult because after a while people are all doing the same thing. And this has strong implications for the isolated unit. Every team or unit tends to seek its own balances and homeostasis so there has to be input from outside. For Oranje there was a period when there was no evolution and people just became more concerned about their working hours etc. The value driven attitude had disappeared.

In the new changing environment of the social ecosystem it is important to focus on co-evolution but isolation and lack of overt connectivity can be valuable and allow something new to take place. There is a distinction between connectivity and diversity here. Isolation giving rise to different evolutionary paths provides diversity as do the existence of different kinds of unit.

Quest : As Oranje has moved through the three phases of development how much were decisions driven by a model and how much was this just a post rationalisation of what actually occurred?

Ans : Interpretation is of course a big factor here. There was a growing perception that things were happening and that structures were no longer working. Looking back we saw that the language and models of complexity theory provided the explanation but in answer to the question of whether we would have done things differently knowing what we know now the answer is probably 'no'. The unpredictability of complex systems rules this out. Of course

once the realisation is there it influences the understanding, but the evolution is natural enough even though we may now see complexity theory as a true description of the reality.

Quest : How vital are the 2000 clients as the external environment?

Ans : The 2000 clients are a vital part of the organisation and a major factor in the thinking and development. From the beginning the needs of the clients steered the development in a far reaching way, but government regulations have made client participation a requirement. So what was initially an unconscious steering became also a conscious steering. In our living projects for example the clients are brought together in gatherings asked about the further development of their projects. Do they want to live alone for example, or in groups or some way that is in between?

It is important, in keeping with Ashby's 'law requisite variety', to have within the organisation the variety necessary to respond to the variety of problems that are brought in. In the Humberside TEC (?) project they would actually employ an interesting person without having a position open, if they felt they would need such a person and their particular way of thinking in the future. The idea of striving to be lean is totally against this kind of necessary redundancy within a system.

Quest : I come from Peru and have long experience of volunteer staff and have found that the incompetence is higher than in the private sector and there is a great deal of politics and subsequent battles for power and psycho pathologies not normally seen in the private sector. Do you have that kind of problem?

Ans : Oranje has experienced similar problems when connections get contaminated with power and resources acquisition. The result is a political debate and the content gets lost. There has been a problem with the new government policy in that if we want to set up a new social service we have to go through a whole consultative structure which is no longer about content, but a political one, about power and means. But we avoid politics in Oranje because volunteers now come and talk about the alignment of their goals in life and those of the organisation. If we talk at this more abstract or meta level we can avoid the political phenomenon. Learning stops if there is a political reflex in an organisation and the issue becomes something about making deals and so on. The sharing of a vision in terms of values and spirituality is important.

Part 2

Quest : How easy is it for an individual to lose the habits of a 'petrified' organisation?

Ans : When an organisation becomes 'petrified' and change is necessary some individuals find it hard to adapt and leave the organisation. Oranje has some employees who are recycled, they leave the organisation and come back on the labour market. When they are re-recruited there is a feeling of relief but also fear of the new situation. They need to be 'de-contextualised' and introduced to new meaning. A unit is meaningful in the way the individuals go along with each other. Newcomers have to accept that the past is over and there is a new perspective. Oranje actually recycles co-workers very successfully.

'Contextualisation' is like a tree having roots in a certain environment and the particular connections are important to survival and evolution. Re-engineering by cutting

away such roots can be a disaster but if enough fertiliser is present then roots grow again. Sometimes re-contextualisation cannot succeed. If for example you take a polar bear from the Arctic and put it in the tropics it won't survive. But usually fear of dying is much greater than the actual risk. Oranje sees fascinating new synthesis emerging from such process.

Quest : When people in organisations are trying to acquire more power how can they be persuaded to relinquish it?

Ans : People may try to 'manage' for political reasons but this is not the motivation wanted. We are talking about a co-operative and trusting environment which is not political and individuals are not trying to get control of the whole but attempting to find solutions by working with others. It involves a fundamental shift in how they see themselves in relation to others. A suggested model of cultural development in societies is that of 'spiral dynamics' in which a culture evolves through a spiral which includes its previous states and develops new ones. The evolution is towards an increasing value driven society; away from those that are about individual power and its acquisition and all the reasoning that goes with that towards a society in which the motivation is co-operation. In Oranje we did have a captive organisation in which the tribes and baronies held sway and the paradox for me was that I had to be a very central steering manager and gain control in order to give the new process a chance. It was the only way to burst through the baronies. The role of the CEO was then to act as a systemic catalyst in the second phase. This need for charismatic leadership to initiate culture change had its drawbacks in that people wanted me to be around as a figurehead for receptions and openings etc. . It seems we have all been educated to look to authority figures. But this was a case of taking power in order to give back and it was a question of who could last out longest.

Quest : Were the heads of the baronies able to go through the transformation and take up a role in the new system?

Ans : Most of them left.

Quest : Most organisation are extremely political particularly at a federal level how do you implement such changes in personal agendas in a governmental type organisation?

Ans : In Belgium there are some very respected CEOs of profit organisations who are very capable people but in governmental organisations you have to be a political animal to survive and these people get professionally decapitated because they can't deal with all the political shenanigans. In Oranje that's not the case but I did have to grasp power and control the situation and in fact its an important part of the profile of a successful co-worker, that he or she must be a dominant character, because if they are not they cannot deal with the discussions and the confrontations that take place

Quest : Can you explain a little more about what you mean by 'co-worker'? In the Mondragon Co-operative Corporation the co-workers were worker owners in that each owned part of the organisation.

Ans : Well we don't have stocks or shares or anything, but co-workers are owners or stakeholders in so far they are all responsible for the survival of Oranje.

Quest : How do you create the feeling of co-ownership?

Ans : Within the new organisation the individual may still have a personal agenda and pursue self interest but within a bigger agenda or meaning. It is a self realisation aligned to the ground rules which engender the feeling of ownership and responsibility to initiate appropriate action. So it's not really like co-operation verses competition. People become entrepreneurs of themselves, but are loyal to the organisation and loyal to their own careers. They pursue their own agenda within that of the organisation. Seeing the whole overcomes the internal power battles because everybody wins rather than some people winning and others losing. It may be a power game but it is one about the realisation of an idea. So there is competition but not wholly self interested competition. It may not be a safe environment but it is one in which co-operation is necessary. One large international company initiated an empowerment program by banning the term 'employee' from all corporate literature. Everybody became an associate. But the feeling of ownership has to be authentic.

Initiative and entrepreneurship are important but they have to be very closely linked with responsibility. Even so, many of the people in Oranje are restless and leave after a few years. Sometimes they come back and we encourage people to be open about their plans and hope that they take some of Oranje's 'ground rules' to their new situations. I have been at Oranje seven years and feel the time to leave is coming. The manager has to be recycled otherwise there is petrification in management.

Quest : Yes, that leads to my next question. How can adaptability be built into the principles or ground rules?

Ans : Yes, The question is important and there is a paradox in that I cannot get the set of ground rules to evolve and embed them at the same time. The set of principles or ground rules are central to the well being of the organisation but evolution demands a third order learning system. The answer lies in the 'turnover the management'. A new worker will one day challenge the rules. Today's rules are only an answer to the challenges of today and I hope that everything can change except the rule that everything can change.

Quest : Is there a danger of memorialisation of a charismatic leader?

Ans : There is always a danger of memorialisation of leadership.

Quest : What will happen to Oranje when Herman Roose leaves?

Ans : That's an important question too because I cannot deny that I am responsible for the input of a new way of working, but Oranje is networking more and more externally. One day perhaps there will be no need for the present organisation because we will have attained an inclusive society where disabled people are not segregated, but are included in the regular services.