



## 81 Merging the Best of Two Worlds

### The Core Processes of Organizations as Communities

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When you think of the word “corporation,” what images, thoughts, or associations come to your mind?

Now, think of the word “community” What images does that word suggest?

The responses people make to these questions are surprisingly consistent. “Corporation” brings up images of authority, bureaucracy, competition, power, and profit. It also evokes images of machines, where order prevails and the chain of command is reinforced by “superiors” directing “subordinates.”

By comparison, people describe a flood of varied images of “community.” Some talk of barn raisings, or volunteers helping out in community campaigns. Others think of town meetings, democracy, and personal responsibility. Still others talk about the feeling of living in a town or a neighborhood where there is cooperation and a high quality of life. People think of commitment, team spirit, and fun—of education where they feel involved with their children’s lives, and of helping to maintain a clean environment. Whatever the specifics may be, the images always evoke a richer, more involved sense of ourselves in relationship to a larger whole.



#### COMMUNITY

The word “community” has old roots, going back to the Indo-European base *mei*, meaning “change” or “exchange.” Apparently this joined with another root, *kom*, meaning “with.” to produce an Indo-European word *kommein*: shared by all.

We think the idea of “change or exchange, shared by all,” is pretty close to the sense of community in organizations today. Community building is a core strategy for sharing among all its members the burdens and the benefits of change and exchange. —JB

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For millennia, communities have been the most powerful mechanisms for creating human cooperation and reliable interdependence. By contrast, corporations and large-scale organizations have been a powerful force only for the past hundred years or so. By fulfilling their economic mission, industrial enterprises improved living standards for many millions of people. But they also separated us from our traditional ties to the land, to our families, and to communities of place—without filling the vacuum left by diminished sense of common purpose and social values. We see the results in the workplace in drug abuse, personal stress, family crises, and health problems—all of which cause as many problems for the organization as they do for society and for the affected individuals.

People have always found their sources of meaning where they spend the majority of their time. Most of us today spend that time in the workplace. But even the term “workplace” hearkens back to an era before industrialization when people used to live and work in one locale. That place was where people learned, through practice, the skills of local democratic participation and the meaning of the common good. Today, if we want to avoid further breakdown of the web of meaning anywhere in society, then organizations can best serve that purpose by becoming practice fields for the skills that will lead to democratic behavior. This is not primarily a humanitarian question or a moral issue; it represents a corporation’s *real* opportunity to contribute to the renewal of a democratic society. It is also a practical requirement for maintaining the health, vitality, and productivity of the people who will interact directly with the organization throughout its life. It’s no coincidence that the call today for “empowerment” and “self-management,” as keys to competitiveness, is linked to the need to develop the fundamental skills of informed participation.

We don’t think organizations should ever replace local communities. In fact, most people will probably continue to belong to several communities at once, including the community of work, Nor should the old company town” be revived. Company towns and all other forms of benevolent paternalism discourage the active personal responsibility and self-management required to sustain the vitality of true workplace communities. Finally, the re-conception of organizations as communities does not mean throwing out the entrepreneurial spirit of the business world. Instead, it provides the chance to merge the best of community traditions with the best of the free-enterprise system. There is a growing body of evidence that, in the years to come, a combined organization-community form can produce better performance than any of the traditional forms of organization. But it needs to be designed not only to support the personal *experience* of community, but also to assure the long-term *sustainability* of community. This means that any designer of organizations as communities will immediately get into questions of infrastructure, and how the people in these new workplace communities will govern themselves,

The action techniques for this work emerged from the community development movement and from voluntary organizations. Miles Horton and the Highlander Institute were pioneers. Paulo Freire’s work in Brazilian education, the tradition of Scandinavian study circles, and the community activism of Saul Alinsky’s Industrial Areas Foundation are key influences.

More recently M. Scott Peck and the Foundation for Community Encouragement have added to the range of approaches. Marvin Weisbord's work in developing Future Search techniques are an extension of community development tradition. And whether people agree with their methods or not, there's no doubt that Gandhi, Martin Luther King, Jr., and Cesar Chavez were all gifted leaders in designing creative approaches for engaging large numbers of people to work together toward a shared vision of a better future.

In business circles in the past, the idea of gathering and encouraging high emotional involvement by hundreds or thousands of people made corporate leaders nervous. But times are changing. Today, to capitalize on shifting markets and customer needs, fast responses by large numbers of people are critical. Community development helps break down the corporate arthritis" and "hardening of the categories" which slow down effective action out on the front lines.

It is also worth noting that the concept of community organization is rooted solidly in our democratic traditions. The United States and Canada have a history of voluntary associations in which people regularly helped each other and collaborated as responsible citizens. The Quakers and New Englanders in their town meetings, and the establishment of the frontier communities of the West, were all based on people living up to their commitments to themselves and each other. All of these communities governed themselves through local, informed, democratic participation. The tradition continues today in Neighborhood Crime Watch groups, town councils, Little Leagues, the Cancer Society, the Heart Association, the United Way, and a myriad of other community efforts. These remain as a living legacy of our capacity as a people to support and serve the common good, as well as our individual interests.

You could argue that the American dream can only thrive if our business organizations also tap into that same vitality, and that same community tradition of service, informed participation, and contribution to the common good. Luckily, we are beginning to see businesses experiment with community building practices. For example:

- Motorola has made a huge investment in capability and learning, not only with its own employees, but with the local school districts that provide the continuity of future talent for the company. Retirees, the "elders" in the community, are serving as adjunct faculty at learning sites, thus bridging between the past and the future of the Motorola community.
- At Steelcase, managers have created physical "neighborhoods" where product and business teams work together in proximity. They have designed a type of community commons" adjacent to these office neighborhoods to encourage the kind of informal conversation and collaboration that we associate with small towns.
- Herman Miller has focused on the nature of the organization's "covenant" with employees—both the rights and responsibilities of membership in the corporate community, as well as the idea of leadership as community service.

Over the last several years, together with key people at a number of organizations, we have identified several core processes which are fundamental to creating and sustaining organizations as communities. We call these the "C" words. They involve processes, similar to business processes, for enhancing *Capability, Commitment, Contribution, Continuity, Collaboration, and Conscience.*

## **CORE PROCESS #1: Capability**

Vital communities are capable: they have the skills, knowledge, and personal qualities to renew themselves and reinvent their future. They do this by encouraging learning and improvement among their citizens as a *collective* undertaking.

“Embracing this governing idea in organizations,” says Bryan Smith, “requires managers to have a higher level of faith in the capability of people to develop over the long run.” Company leaders must ask: Are we the unique kind of community that can inspire our members’ best thinking? That people want to be a part of? Where members can really learn, grow, and increase their overall capacity even during times of crisis and change?

In an organization based primarily on democratic principles, learning can come only from members *wanting* to learn things they care about. For example, people learn to run great meetings when they see that great meetings need to take place. This style of “just-in-time” learning (where coaching, training, and the actual work are integrated into a common process) is enhanced by community support. In healthy work communities there are also “replays,” where members gather in the twilight of a common undertaking—anything from a meeting to a new product introduction—and reflect together, as if surveying the field of play, on how it might be improved next time.

The lifeblood of the organization as community is the capacity for dialogue—not just within a team, but throughout the enterprise. If intellectual capital is the key asset in the knowledge era, then the capacity for great conversations about things that matter is essential for breakthrough thinking and collaborative innovation.

## **CORE PROCESS #2: COMMITMENT**

Commitment builds when people are an active part of the experience of creating something they value together. Using common language, symbols, and metaphors which evoke positive emotion also help bring people together. That’s why using the language of “community” can be valuable. It calls forth an intuitive image of mutual commitment and contribution—as opposed to training people how they “should behave” in a “high-commitment work system.”

To build community in an organization under the stress of unrelenting change, serious attention must be paid to mutual commitment: What commitment is the organization asking of its employees, and what commitments will the organization make and keep in return? The answer will vary from situation to situation.

Many employees are willing to commit themselves to a truly engaging purpose, larger than just personal self-interest. They are willing to give of themselves to help create the collective enterprise. But we live in a free-enterprise system. Therefore, the employees also seek concrete evidence that the collective enterprise is committed to them. They prefer to see tangible results from the investment of their efforts. For example, it’s hard to build strong commitment when thousands of members of the community see themselves being cast out by losing their jobs. If people are given the hard economic truths, they will be willing to share the pain during hard times. But as key stakeholders, they reasonably want to share in the tangible rewards from helping to save the day.

Recently, faced with a budget crunch, a division of Intel instituted a graduated pay cut. The highest-paid employees, including executives, reduced their pay by 10 percent while the lowest-paid employees lost nothing and there were no layoffs. Volkswagen Europe, in similar circumstances, moved to a shortened, four-day, twenty-nine-hour work-week to save 30,000 jobs among its 100,000 work force.

In other companies employees have volunteered for early retirement or temporary leave without pay. These are all examples of community development principles at work. A critical factor is for executives to be honest with everyone about the realities of life in the business, so that people can actively join together at all levels to determine fair ways to solve common problems.

### **CORE PROCESS #3: CONTRIBUTION**

Every day, people in stultified offices moan to themselves: “We’re overwhelmed with paperwork. If we could only have computers.” But in a community-oriented organization, those people might collectively embark on a drive to get computers. They might conduct their own analyses, and discover how their computer needs linked to the company’s overall technology strategy. They would end up making far better use of the tools than if someone had imposed them. By contrast, many computer introductions have failed, with huge resistance, because simple principles of community development have not been applied.

Essentially, people want to give, especially if it’s to something they think is needed and worthwhile. That’s why it’s important to develop ways for people to see clearly how their daily work makes a real contribution to the organization’s success. Business process improvement incorporates this concept. However, unless it is seen as one key to building community, people feel like *they* have been reengineered, rather than the work process.

Healthy communities provide opportunities for the full diversity of members’ talents and contributions to the community’s sustenance, not just in narrowly defined roles. Each person’s gifts are unique; each enables the community to continue developing and serving the common good.

For example, at a large, very technologically advanced plant, we involved all the employees in strategic planning. One of the maintenance workers became a lead member of a plant-wide singing group which began to write and perform songs about the strategic planning and visioning effort. His music helped engage everyone in a common image of the future—and was a lot of fun. No one would ever have known his talents if we hadn’t had a “volunteer sign-up” process where people could offer whatever they thought would help out the overall effort.

In a community model of contribution, a company’s hiring and interviewing systems track the multiple talents people have that they never shared on the job before because no one ever asked. Reward systems recognize people for volunteerism—for tasks they undertake, on their own initiative, outside of their ordinary scope.

### **CORE PROCESS #4: CONTINUITY**

Communities can’t survive without some measure of continuity. If we want to gain the benefits of healthy communities in the workplace, we need to become more creative about how to build some sources of continuity. Otherwise, the knowledge of mature citizens literally gets lost in the constant “churn” of career moves.

For example, in many companies, there is a tacit mental model that managers who stay in their jobs longer than two years are considered “dead wood” or “unmotivated.” A community-oriented workplace would foster a different view of career paths, allowing people to develop continuity and longer term accountability for results, without sacrificing their careers. Already, in many workplaces, employees can be compensated at higher levels without having to change job locations, by gaining a broader range of skills or taking on more tasks. In the future, if people *do* change jobs or work sites, part of their compensation could be based on how well they serve as bridges of continuity to whoever replaces them. Some people might have rotating assignments, while continuing to serve as mentors and resources to their “home units” for a time.

An institutional memory is one of the most critical factors for community continuity. In pre-industrial times, the community's memory was transmitted by word of mouth. Elders kept and shared knowledge of "best practices": "How we planted, harvested, and distributed the fruits of our labor." Today, the organizational counterpart to that knowledge ("How we developed and marketed a new product") can be captured and shared through computer networks and data banks. Technology supports a common knowledge base that the community can draw on for years.

Other aspects of institutional memory must be carried person-to-person. For example, organizations have difficulty maintaining continuity unless they create ways to help new members understand the rights, responsibilities, and practices of the learning community. To provide continuity in self-managing teams, it is also valuable for organizations to encourage rotating team leadership, even at very senior levels, through innovations in personnel practices, performance standards, and pay systems. If one person moves on, others retain the history, vision, and values. A team doesn't have to start all over because a new leader comes in who wants to "make his own mark."

### **CORE PROCESS #5: COLLABORATION**

Developing reliable interdependence is the essence of effective collaboration in a community. Community development is interested in building collaboration across very large populations by creating a web of multiple constituencies and stakeholders—engaging, involving, and mobilizing members until there is a critical mass of perhaps hundreds or thousands of people who can move together on a common path. They may move autonomously in many different locations, but they move with a clear shared vision and overall strategy in common. Organization development and team building, by contrast, have often focused on building collaboration in smaller groups.

Collaboration does not live in the abstract. It depends, for example, on the web of information which, in thriving communities, flows freely in all directions. When members know what's going on in the community and why, they can act together autonomously to achieve common goals without being supervised or monitored. Town criers served the public information function in medieval communities; local newspapers and radio play that role in towns and cities today. In organizations, the function is often served by computer networks and electronic mail, as well as by organization-wide learning processes. For example, in new interactive forms of strategic planning, people gather regularly to share information about progress and clarify direction, in an ongoing *organization-wide* collaborative learning process.

Collaboration is also strengthened through weaving the web of personal relationships. Even in the most technologically advanced organizations, people need face-to-face meetings and communication. Community builders recognize that, as human beings, we need the opportunity to *respond personally* to each other, and, as importantly, to feel known and "seen" as valued community contributors. Ultimately, a focus on personal relationships allows people to develop a web of mutual trust in which the members of the workplace community know they can count on one another and on their leaders for honesty and support. All of these factors—stakeholders, information, relationships, and trust—can be delicately woven together in a way that nurtures and sustains the process of collaboration for results.

## CORE PROCESS #6: CONSCIENCE

All healthy communities incorporate processes which could be described as ‘conscience’ mechanisms. The organization finds ways to embody or invoke guiding principles, ethics, and values such as service, trust, and mutual respect. These, in turn, translate into daily actions and concrete decisions. But most organizational conscience mechanisms are tacit. Even when there is a value or mission statement, the question, “To what are we going to be responsible?” is rarely raised explicitly. Community building brings that question to the surface,

We often associate conscience with guilt—we speak of having a “guilty conscience.” But it’s more useful to think of people and organizations having a “positive conscience,” stemming from the choice they have made to be responsible individual and organizational citizens. This is the basis of maintaining a democratic society.

We are beginning to accumulate evidence that having a conscience also pays off in the bottom line. A recent study showed that over an eleven-year period net profits grew 756 percent in companies which had an ethic of multiple stakeholder satisfaction and involvement\*, compared to a 1 percent increase in a comparable set of companies that kept to traditional management practices.

*The study was cited in "The Caring Company," a review of Corporate Culture and Performance by John Kotter and James Heskett, in The Economist, June 6, 1992, p. 75.*

Organizational conscience may ultimately take its shape as a Bill of Rights and Responsibilities for organizational citizens. Workplace constitutions, credos of conscience, and “green” policies have also been formed. The “famous” Johnson & Johnson Tylenol case is an example where a credo helped provide guidelines for practical decision making. When tainted Tylenol was discovered, J&J’s leaders could quickly make the decision to immediately, publicly, remove all Tylenol from the nation’s shelves, because they were following the organization’s credo—which said that “J&J’s first responsibility was to provide quality products to doctors, nurses, and patients.” This dramatic action helped ensure a reinstatement of both public trust and employee pride in the integrity of the company, and led to higher long-term sales.

Exploring the question of conscience is a first step toward repositioning the organization within *its* larger community. When corporations start to see themselves as active members of a larger interconnected web of concern for a positive future for all key stakeholders, then the community approach will begin to yield benefits in increasingly larger systems.

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