How organizations produce deadwood

By Dr. Ichak Adizes
The Adizes Institute

... The day I got my Ph.D. in management at Columbia University, I was walking down the corridor of the school when a crowd of students emerged from one of the classrooms. They'd just finished taking their qualifying exam to become Ph.D. candidates, which means they were approximately one or two years behind me.

"Show me the exam," I said, in my pride and arrogance as a newly minted doctor of philosophy. But when I looked at it I discovered that I couldn't have passed the exam! The day I got my Ph.D., I was already obsolete. Change had made my nearly brand-new knowledge outdated. It scared the hell out of me. I realized then that it no longer takes 20 years to become obsolete. It may not even take five. ...

... Our bodies developed over billions of years into what they are today, by adapting slowly to change. In some cases, the speed and breadth of these changes have simply overwhelmed the body's capacity to adapt, and it begins to malfunction. Cells begin to mutate or to replicate themselves endlessly, depleting the energy that is necessary to maintain healthy cells. In medicine, that is called cancer.

In organizations, the cancer is called Deadwood. Our so-called "modern" organizations are based on a bureaucratic, military model that is structured for adaptation to change over many years. We aren't structured for rapid change, we aren't trained for rapid change. Thus, we are vulnerable to developing corporate cancer – Deadwood – which reduces our productivity and profitability.

How organizational structure causes Deadwood?
How does the structure of a so-called "modern" organization exacerbate this problem of Deadwood? Corporate structure is traditionally a pyramid, a hierarchy: Somebody is at the top and supervisors are in the middle, with an acceptable span of control. This pyramid structure builds layers that actually prevent and inhibit change.

Let's look at the pyramid. We know that the four roles of management are (PAEI). Now, which of the four roles is performed almost exclusively at the bottom of the hierarchy? That would be (P): (P)roduction people. What do we have in the middle? Layers and layers of (A)dministrators. And as organizations grow, they keep adding more (A)dministrators. Classical management theory worries about how many workers a manager can manage – the so-called span of control. I, on the contrary, worry about how many managers one worker can carry. Do you see what's happening? There are so many people managing the guy who's doing the work that nobody realizes what teamwork is. And the danger is that these new layers of people – the coordinators, supervisors, organizers, and leaders – will start to believe that what they are doing the work. They forget the real task: Satisfying the client's needs.

What is the desired role at the top of the pyramid? This is strategic planning, vision – the (E)ntrepreneurial role.

So you have (P), you have (A), you have (E)ntrepreneurs. Where is the (I)ntegration? Usually the (I)ntegration is positioned somewhere in the middle, in a department called Human Resources Development or something similar. When there's a
problem, they're the ones who put together a touchy-feely meeting. But they're not on the Executive Committee. The company makes concessions to (I)nTEGRATION maybe two times a year: The first one is called the Christmas party and the other the company picnic. Done. That's (I)nTEGRATION.

The pyramid is very neat, isn't it? On top is (E)ntrepreneurship, who makes the decisions and points out the direction; below are those who enforce the decisions, and at the bottom, way down there, are the producers. So where's the problem?

In order to answer that question, it's important to distinguish between two types of decision-making: Programmed and non-programmed.

Programmed decisions are decisions that were already taken, decided: For a predetermined stimulus, there is a predetermined response. On the other hand, Non-programmed decisions are non-routine, non-repetitive

The four management roles can be classified in terms of the type of decision-making they require. (A)dministration, for example, is associated almost exclusively with programmed decision-making. What else is programmed? (P)roducing results! We spend millions if not billions of dollars to program people, with training and seminars, so that all people will do the same things exactly the same way.

Now, when a new manager comes in and wants to make changes, he finds resistance. But who do you think created this resistance to change? The company itself did! The company spent millions of dollars to train people to be so programmed that they cannot change easily.

I once saw a book on the subject of change that had the following artwork on its cover:

If somebody has a beautiful idea or a problem down there at the bottom, can they solve it down there? No. It has to go up to the top for approval. And how easy is it to get through to the top – even if there are suggestion boxes and an open-door policy and management by walking around? Those factors might make a difference, but not a big one.

How about if the change is initiated at the top? After all, the job of top management is to visualize the future and lead the change. But what is the chance that (E)ntrepreneurs will cross barriers and barriers and barriers of (A) to make that change happen? It is going to be very difficult, like trying to conceive while using multiple condoms.

The (P)roducer isn't expected to do (E); the (A) isn't expected to do (E). We have deliberately created organizations that support a specialization in roles and a hierarchy of roles, and that makes us inflexible.

Some organizations are actually born inflexible—they're called government agencies and they are born without a head. The organization is all (A)dministrators. You know where the (E)ntrepreneurial role is? It is with the politicians. Government agencies have no discretionary power. The politicians have all the authority to decide on change. Those who (A)dminister do not decide. Instead, they serve whatever was decided. That's fine, but the result is a bureaucracy; what do you expect?

I have concluded that the organizational structure, the hierarchy, or so-called pyramid, is not structured for rapid change. It is linear. It assumes that the world is flat. Energy flows only one way – from the top down. And in this clogged structure, Deadwood flourishes.
Energy cannot flow top down and bottom up in the same channels. Thus, organizations must have parallel structures.

How to do this is a subject for a book itself. At the Adizes Institute we have formulated and installed such structures in hundreds of companies. Those companies have been able to achieve sustainable accelerated, change without the side effects of Deadwood.

**Why (A)dministrators proliferate in organizations?**

When a company is young, it has a lot of (P)roducing, there is usually very little (A)dministration and a lot of (E)ntrepreneurship. What happens over time is very interesting. The (A) grows. The company adds another supervisor, another coordinator. The organization grows according to Parkinson's Law: The job has not changed, but the number of people who need to control and monitor the process is constantly growing. And what is the first thing they do? They push the (E)ntrepreneurs out, and then they push the (P)roducers out. Eventually, what you have is an organization with so much (A)dministrators that it becomes moribund.

**The role-specialization is a barrier to self-development**

Because the structurer of a typical organization stresses specialization of roles, we have little opportunity to develop well-rounded skills or to develop in areas in which we are weak. Consequently, we are losing our ability to handle change easily and promptly. For example, if a (P) wants to advance, he has to learn (A) skills—from scratch! If he cannot learn to perform the (A) role quickly enough, he becomes Deadwood. I knew a famous surgeon who became the managing director of a large hospital. Because he was incapable of (A)dministering it, he became a Deadwood (A)dministrator – and the hospital lost a top surgeon.

This happens frequently in high-tech companies. When the company starts to grow, the inventor/founder needs to learn to (A)d-minister: He needs to see to it that the company hires the right people of the appropriate diversity, has salary (A)dministration as needed, puts safety policies into effect, monitors the accounting, etc. – all tasks that he not only hates but is incapable of doing. And what happens? We lose a top-notch technologist and gain a Deadwood (A)dministrator.

What about an (A) who is promoted further up the ladder? He immediately needs to perform the (E) role. For 35 years he's been an (A); how can he be expected to become an (E) overnight? He can’t. People usually repeat the behavior for which they've been rewarded. Being an (A) worked for him – so why change? He will repeat what he knows and what worked for him, until he becomes Deadwood. He is (A)-ing in a job that calls for (E). He is dysfunctional. He is not performing. He is blocking rather than leading change.

Deadwood almost never leave an organization on their own; either they die on the job, or they retire or are fired. They aren’t missed, but by the time they go the organization is usually dead as well. No purposeful activity, no creativity, no (I)ntegration of people is evident.

The causes of Deadwood are woven tightly into the structure of the organization. The danger is inherent. If organizations do not restructure themselves to remove dashes in their managers' (PAEI) codes and encourage flexibility, they can easily develop Deadwood, the cancer that will eventually bring their demise.

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