

BEYOND THE PETRONIUS PARADOX:

How to achieve results through Virtual Teams.

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IBM posted its largest losses ever. IBM had tried. It really had tried hard. IBM Europe re-organised itself twelve times in the last six months of the year. ICI really tried too, including re-organisation after re-organisation. Culminating in its decision to de-merge itself into ICI and Zeneca. The reputation of business process re-engineering is also under much pressure as organisations simply use it as another way to reorganise, 'horizontally' rather than 'vertically'.

The message is clear. Re-organisations may receive the thumbs down in popular reaction. Re-organisations are no guarantee of better times ahead. Our message is starker. Re-organisations can and frequently do get in the way of better performance. Don't re-organise. Build an open ended evolutionary organisation. Re-organisations focus attention on internal problems. Most real problems start in the external world.

Being better than your competitors means being smarter than them. Being smarter than them means you learn faster than they do. Learning faster means making better use of your people's experience. In practical

terms this means you keep your best people in your key jobs so they learn how to do them better than anyone else. Changing people's jobs every twelve months produces people who are very good at changing jobs - not people who are very good at doing those jobs. Organisational learning, when it occurs, takes place in people. That learning and experience can only be transferred if there is continuity. But the world is changing rapidly.