



FUTURE OF WORK AGENDA

A Free Monthly Newsletter
May, 2006
www.thefutureofwork.net/

THIS MONTH'S HEADLINES

Click on any Headline to go to the full story.

1. **[FROM JIM AND CHARLIE](#)**

This is our personal note welcoming you to the May 2006 issue of *Future of Work Agenda* and setting our theme for the month. This month we continue to explore the future of collaborative work with a guest feature article that disses email (something we've been doing for years) and proposes a very different approach to team communication. We also rant about the "Holy Grail" of workplace design – linking the workplace to business performance. And we brag about our new book contract with Amacom.

2. **[ANNOUNCEMENTS](#)**

The Work Design Collaborative is very pleased to announce that we have just signed a contract with Amacom, the publishing arm of the American Management Association, to produce a book, tentatively called *Remote Control*, about the changing nature of work. And on May 17 Charlie will be speaking about our research and predictions at the National Conference on Office Design being held in Colombia.

3. **[FEATURE ARTICLE: DIGITAL GROUP MEMORY](#)**

This provocative article by Brad Jackson, founder and CEO of Coordin8, suggests that email is the worst possible collaborative technology for project teams. Instead, Brad proposes and describes a real-time collaborative platform that can provide teams with easy-to-use data repositories, communications tools, and project management reports based on a very different paradigm of information sharing and use.

4. **[READER RESPONSE](#)**

April's feature article, "[Square Pegs and Round Holes](#)," argued that we are all working so hard these days largely because there is such a significant misfit between the way formal organizations are designed and operated, on the one hand, and the things we actually have to do on a day-to-day basis, on the other. Once again our perspectives generated lots of heat and some genuine light from many of you, our loyal readers. And last month's "In Our Humble Opinion" rant ("[Driving Me Crazy](#)") also prompted some insightful commentary. We include the best of your responses here.

5. **[BEST OF THE BLOG](#)**

This section provides you with brief summaries of several recent notes we've already posted on the *Future of Work* weblog. In each case we also include a live link to the original post on the blog. And we encourage you to become a regular reader of the blog, where we are posting notes, case studies, and links to other important websites almost every day.

6. **[IN OUR HUMBLE OPINION: WORKPLACE DESIGN MATTERS!](#)**

We end each issue of *Future of Work Agenda* with a personal perspective – our chance to comment on issues and developments in the world of work that we find important and interesting. This is our “editorial” page, where we enjoy offering our opinions and predictions about what’s happening (or should be happening) in the world of work and beyond.

THE FULL STORIES

1) From Jim and Charlie

It looks as if Spring has finally arrived in the United States. Here on the west coast we’ve been enjoying warmer weather for some time, but the really good news is that it’s finally stopped raining in the Bay Area and we are getting reacquainted with that bright shiny yellow thing called the Sun.

We’ve got a full and – we trust – provocative issue for you to celebrate the arrival of May. Our biggest and most exciting [Announcement](#) is that we’ve just signed a contract with **Amacom** to publish a book that promises to bring together in one place many of the things we’ve learned in the past five years. We’re looking forward to reading it ourselves!

Actually, we hope you will stay tuned as we report periodically on the book’s outline, approach, and case studies. We’re actively looking for stories to include so we can be certain the book’s message is topical, current, and complete. We’re writing the book in partnership with our colleague **Cory Williamson**; please respond to his inquiries if he calls looking for your perspectives or organizational stories. And feel free to contact either one of us if you have ideas or suggestions for that “must discuss” topic you care so deeply about.

Our feature article this month (“[Digital Group Memory](#)”) was contributed by our good friend and former colleague **Brad Jackson**. Brad has focused his career on an enduring problem faced by every project team we’ve ever known: the good news/bad news about email and how horribly inadequate and even inappropriate it is as a collaborative technology.

As Brad points out so well, email (and its first cousin, Instant Messaging) makes communication among team members both too easy and too difficult. It’s easy to send off quick, informal, unstructured messages to another individual or the whole team. But when the topic is team-wide and one to many, you inevitably get bombarded with many-to-one or many-to-many replies, and the volume of redundant or conflicting content skyrockets. We’ve all been there.

Brad proposes a far more efficient and rational paradigm – the development of a repository of information that he calls a “digital group memory.” It’s basically a central information warehouse that everyone on the team as well as senior management can rely on as *the* single source. When something needs editing or updating it’s done there, not on a copy on a single hard disk somewhere. This approach saves whole lot of time, eliminates version control issues, and makes the team’s progress and history both easily accessible and unarguably accurate.

We think Brad is on to something. And we're sure you will agree.

Our "second story" this month is a collection of [Reader Responses](#) to last month's feature article and rant. You may recall that our feature article ("[Square Pegs and Round Holes](#)") was a discussion of how current organizational structures and processes seem to make it more, not less, difficult to get things done. We're pleased to report that we touched some very raw nerves and stimulated several very thoughtful comments.

And our [April rant](#), focusing on the terrible inefficiencies in the ways our society consumes irreplaceable sources of energy ([Driving Me Crazy](#)), also provoked a whole bunch of passionate responses. Thanks to all of you who wrote in to either praise us or excoriate us (that's our Big Word this month). We have always wanted to make this newsletter an interactive (if extended in time) conversation, and you are helping that goal become reality. Thanks – and keep 'em coming.

And as always, of course, we're also pleased to bring you our [Best of the Blog](#) section. We continue to believe that you'll find ideas and information in this newsletter that you just can't get anywhere else.

So, on to the rest of the newsletter. Enjoy! And please [let us know](#) what you think.

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2) ANNOUNCEMENTS

WDC To Publish a Book on "Remote Control"

The Work Design Collaborative is very pleased to announce that we have just signed a contract with Amacom, the publishing arm of the American Management Association, to produce a book, tentatively called *Remote Control*, that will serve as a guidebook to the future of work.

The book will be completed during 2006 with a 2007 copyright. It will be filled with case studies and stories of how many firms, large and small, are struggling to bring their work practices, their organizational structures and management styles, and their work environments into alignment with the new realities of the global information-based economy.

We are now actively seeking publishing partners/sponsors to help us frame the book and develop case studies. We will announce two corporate partners in the very near future (they have already made verbal commitments; we're just working out the formal details), but we would welcome including others as well. Please contact either Charlie Grantham or Jim Ware if you are interested in participating actively in the project.

We are seeking both financial support and thought leadership as we frame the issues and describe methodologies for transitioning into 21st-century organization structures and management practices.

Charlie to Speak at National Conference on Office Design in Colombia

Charlie will be presenting an invited keynote lecture in Bogotá, Colombia, on May 17th at the first National Convention on Office Design. Charlie's topic, which has grown out of a research project we did last year, is entitled "Innovation and Office Design." This speech represents WDC's first foray into the South American market and we anticipate that a number of constructive relationships will develop from his presence at this prestigious event.

Future of Work Continues to Seek New Members

Future of Work offers several levels of membership that depend on your status and needs: *Individual and Small Business*, *Corporate*, and *Implementation Partners*. We also offer special discounts to nonprofit, educational, and public sector organizations. These membership programs are described in more detail on the [Future of Work website](#), or feel free to [contact us](#) directly for more information about fees and benefits.

All *Future of Work* members are now listed on the *Future of Work* website, in the [About Us/Members](#) section. We encourage all our readers to consider joining the community.

Please [visit our website](#) and apply for membership today.

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3) FEATURE ARTICLE:

Digital Group Memory: Moving Beyond Collaborative Technology & Virtual Teams

By Brad Jackson

Brad Jackson is a co-founder and CEO of [cOrdin8.com](#), software to manage ideas, portfolios and project teams. Brad has had a long-time interest in the intersection of distributed computing systems and distributed human systems. He has spent over twenty years researching and consulting both small and large businesses in the use of technology to support teams. Brad can be reached at brad.jackson@cordin8.com.

For over twenty years, I've worked in a space that has had many, many names. In the 80's, it was *group decision support systems*, *computer mediated communication systems*, *computer-supported cooperative work*, and then *groupware*. In the early 90s, it became *collaborative technology* and *knowledge management*.

That was the technology backdrop. In the foreground were business improvement initiatives that included the rah-rah world of Total Quality Management that ushered in the use of business teams. That was quickly followed by the less than rah-rah business process redesign and overhead reduction initiatives. In the middle of all of this, virtual

teams got a bit of press. Most of those articles glamorized geographically dispersed groups of people working together through email.

However, email has several shortcomings that make it a poor choice for being the primary platform for team communication. From a team memory perspective, email is like a sieve from which valuable information leaks out.

The following are key problems in using email to support teams:

Not group memory. By definition, an email inbox is an *individual's* memory and is only accessible by that individual. At best, one team member can forward a series of emails to a new team member as a way to share pieces of information to help bring the new member up-to-speed.

Fragmented threaded conversations. People send messages to the whole team. Several members then usually use "reply-to-all," which creates different versions of that email thread intermingled with other messages. Further, these threads make it difficult to see or track the status of certain types of communication, such as an issue under discussion.

Assumes communication needs are same for all members. Different team members have different communication needs, both in content and in time. An email sent to the team may be beneficial for a few members right away. However, other members may benefit from that communication only at some future time. Others may not recognize it as useful at all, or it could turn out to be critical in a few months. By that time it's usually difficult for team members to remember where it is in their inbox!

Exclusion. Whether intentionally or not, team members can send messages to just a few members of the team. The other team members may or may not have something to contribute to that particular conversation, but often there is value in just being aware of the conversation.

Poor contextualization. While many individuals categorize email into sub-folders, the "reply" culture of email creates strings of "RE: [subject header]." This labeling can be useful in putting together the fragmented threads, but when reviewing the subject lines to determine if the message is one that is relevant, the subject line is of no help. That means that the individual must often open many messages to track down the information he or she is looking for. Moreover, there are no associations between email messages, documents, and objectives.

Poor support for creative processes. This problem includes lack of support for idea generation, ranking and rating ideas, viewing results, and building upon them. The true benefits of working together as a team are found by building on each member's strengths. While initial ideas can be surfaced in email, they usually run quickly into the fragmented threaded conversation problem. Further, members cannot easily rank the ideas and view them in an ordered list in order to work with them further.

Do these difficulties mean that there is no role for mail in team-based work? No; infrequent communication is actually best done with email because the individuals

involved are usually not part of the core team's digital group memory. Email, along with instant messaging, is extremely powerful as an alerting mechanism when communication is urgent. Ironically, because of email's success, it has become a less powerful medium because the volume of non-urgent information that is distributed gets in the way of the more important content.

Today, I hear of companies working on strategies to support virtual teams. I believe that many of these efforts are misguided and that organizations risk missing the big picture entirely. I propose that what organizations must do instead is to think about a team-based organizational information system, or **digital group memory** for short. It should be designed by thinking through the organization's processes of how ideas are captured, prioritized, funded into projects, managed as projects, and then how the products of these projects are supported in the long term.

From this perspective, what does management need in terms of information and communication, and what do teams need in order to process their work and report progress?

Technology can and should integrate those needs. Today, however, I don't see a cohesive system. I see *islands of automation*. Each team organizes (or not) independently of the larger organization. Each one has its own structure hierarchical folder structure on a file server where team members dump files. Team leaders communicate progress to their managers by emailing file attachments that contain their particular reports. Often, the manager receives differently formatted reports from the team leaders.

The result of this process is that each layer of management is forced into becoming "technology clerks" who waste an inordinate amount of time culling through emails, detaching files, and trying to combine them into yet another file to forward up another layer. Technology is working against efficiency.

Imagine, instead, that there's a single organizational system. When a new project is launched, the team gets a standard set of pre-loaded online reports, forms, templates, and so forth that they use to guide and organize their work. The system provides structures for team members to use in producing required deliverables as well as capturing relevant communication regarding the project. At a minimum, teams no longer waste time re-inventing the structure each time they start on a new project.

Because they have a standard technology in this scenario, managers can run real-time reports to view a summary of all the projects or zoom-in to a particular project. And, since the information and communication are organized in a standard manner, when new people come onto the team or a next-phase team needs to look back to see how a previous team arrived at a decision or produced the previous phase work products, they can easily find and access them. Just try to bring a new person up-to-speed with your inbox and a file server/team site.

By way of example, a Houston-based natural gas company is doing this very thing. Following a major discovery and a more than doubling of their stock price, they found themselves in need of a new slate of automated systems to manage their business. The

CIO is leading an initiative to select and implement twenty-plus software packages over the next two years.

The Project Management Office (PMO) set up a project notebook using **cOrdin8**, the platform my company has developed, for each project team. Each project notebook contains the company's processes and online forms for project charter, issues, project status reports, and so forth. A dashboard was set up for the executive committee to view – at their convenience – real-time status reports or click on a link to access a particular project notebook.

Each week, the team leader updates information in the project notebook regarding milestones, issues, plan and actual costs, and so forth. The online project status report form automatically pulls all of the required information (e.g., milestones, issues, costs) into the report and the team leader adds additional highlights of the week plus plans for the next. He then clicks a route button to send the report to the dashboard for the executive committee.

In terms of efficiency, they have eliminated the time that would have been spent handling twenty-plus emails a week (with file attachments) for status reporting to the PMO. Now the team leaders just enter the information directly into the system, which is then immediately available to the appropriate stakeholders.

The teams use the project notebooks to organize and manage the package selection process. They identify and weight the requirements (criteria) for the software package. They set up a scorecard for each person who will be evaluating the package. Following each vendor's demonstration, each evaluator completes the online scorecard by providing ratings and comments. Once all of the ratings have been completed, the team leader runs reports to view the scoring results that are used to support their selection decision.

The email alternative would have required the team leader to send out an email with a spreadsheet attached that each person would complete and email back. The team leader then would then have to detach each file and combine the scores from each spreadsheet into a single file in order to analyze the results.

Because all of the information and communication regarding the team's projects are organized by the company's project management methodology, anyone can easily find and access information within any project today or in the future.

So, instead of working on how to support virtual teams with collaborative technologies, think through your organization's information and communication needs. Can your executive management easily pull information regarding status of work from all its teams? Can a new team member easily orient himself/herself with the overall picture of the project, such as its charter, risks, current issues and their status, changes in scope? Can a resource who needs to work with multiple project teams easily access and contribute to the project information flow? It's a matter of organized, or structured, group memory versus scattered, unstructured memory (individual email inboxes and file and document management servers).

It's really a matter of designing technology to enhance the communication and information flow for the team-based organization irrespective of whether team members are geographically dispersed or co-located. The design must consider how all teams in the organization work and contribute as a whole, rather than focusing just on how technology can support only the virtual teams in the organization.

Please direct your comments and questions to comments@thefutureofwork.net. We'd love to publish your reactions and suggestions.

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4) READER RESPONSE

April's feature article, "[Square Pegs and Round Holes](#)," argued that we are all working so hard these days largely because there is such a significant misfit between the way formal organizations are designed and operated, on the one hand, and the things we actually have to do on a day-to-day basis, on the other. Once again our perspectives generated lots of heat and some genuine light from many of you, our loyal readers. And last month's "In Our Humble Opinion" rant ("[Driving Me Crazy](#)") also prompted some insightful commentary. We include the best of your responses [here](#).

Commentary on "Square Pegs and Round Holes"

From Margaret King:

Really liked your article this month on the big disconnect between organizations and those who work in them.

From a cultural standpoint, this isn't hard to understand, and I can offer some insight as a cultural analyst. Organizational structure sets up a map of what should work, but without regard to the "human factor": the way people actually think, behave, and make decisions. Peter Drucker, always a good quote, himself noted that executives, if they were lucky, were productive for only about two hours a day.

Most of what goes on at work is not productivity (except at the manufacturing level); it's relationship building, knowledge cultivation, communication – over half of all time spent at work is in these pursuits. That's because we are social primates and our first priority is establishing and maintaining connections with others. There is no way around that fact. The best we can do is understand how people operate and design systems that take advantage of the rules of human dynamics – rules that developed over many thousands of years. They are not going to change tomorrow.

The other principle is that people are inherently inefficient. We make our biggest cost decisions not by cost-analysis, but on the basis of cultural values, which is a totally different system than MBAs are schooled in. Besides socializing, we spend most of our time adjusting to the situation around us (physical, social, mental), resetting our sights and affective outlook (emotion) from one event to the next, checking on relationships,

thinking about the future (and numerous alternative futures), ruminating about decisions we have just made, made in the past, are thinking about making, would like or not like to make...taking care of our physical needs (lunch, bathroom, coffee, breaks)...you get the idea.

In terms of the way we spend time, energy, and money, we are basically inefficient creatures. That does not make us ineffective, just time-labor-and cost-intensive. Higher-level thinking takes even more time, and we spend many thousands of hours on innovation and creativity....because that process is never straight-line. When it is, a machine can do it – and machines do, namely computers. That's not us, and it's not our value to the workplace or the nation.

We must understand what human life is like before we can design programs and processes that bring out our best traits and abilities. There are many that don't – and because we are so inefficient, we keep right on supporting them (why haven't the MBA's put a quick stop to all this, if it's so inefficient?) It's always revealing to understand the human mind – and that our own tools are often quite inadequate to match the way we actually think and behave (in the consumer marketplace, 90% of all products fail).

Thanks for introducing this concept the article. It bears more thought and research.

From Sari Graven

Your article included this assertion:

“That's why the notion of employee engagement has become so important. It's no longer a matter of telling employees what to do. The only way to succeed today is to let them know what you need, give them reasons to "buy in," and then get the hell out of their way.”

From an ideological standpoint I am an absolute believer in this statement:

And this:

The awful truth is that most professionals today don't need a manager to "tell them what to do.”

From a practical standpoint I have not found this to be true.

Until such time that continuous learning becomes a part of everyone's "professional DNA" there remains a level of uncertainty about the "abilities" of our peers. The fall-out: failure in one's ability to trust the judgment of peers and a continuous need to "check up" on the activities and decisions of others.

Commentary on “Driving Me Crazy”

From Bill Pardee (www.pardee-quality-methods.com):

Reducing commuting is a really, really good idea—don't just struggle for costly marginal economies by commuting with cleaner, more efficient vehicles that still create congestion

and waste much of lives, but simply do it differently and better. It has multiple synergistic benefits.

Re-localization is a related idea that can make life both better and expand our rapidly dwindling supply of cheap oil that has fueled so much growth in the last century.

We asked Bill to explain what he meant by "re-localization" and here is his response:

Re-localization is building local communities that do business with each other, such as buying your organically, sustain-ably grown food within some reasonable distance (say 100 to 150 miles) of where it's grown, where it's now an average of 1500 miles for most Americans. Our local Costco (Southern California) sells red bell peppers grown in Israel.

Re-localization means transforming suburbs into communities where people work, shop, eat, exercise, and play, which is not identical to, but I consider consistent with, your telecommuting work vision. Very crudely, re-localization is opposed to globalization, but that's too superficial, and I don't want to express it adversarially.

From John Niles (President, Global Telematics, www.globaltelematics.com):

Wow! Make people work at home! That should help the North American divorce rate, which I understand to be at about 50%. Energy policy collides with family policy.

But seriously, the numbers from US DOT are not so good for getting energy and emission savings out of teleworking.

In the USA, the Bureau of Transportation *Statistical Pocket Guide to Transportation*, 2006 edition, on page 20, Table 13, "Daily Travel by Gender, 2001," states that just 15 percent of trips are for "work (commute)" and 3 percent are "work-related." That means the remaining 82 percent are for other mobility purposes, including 42 percent combined for "family/personal business" and "social/recreational."

Furthermore, a decade of experience with telecommuting is showing that workers, managers, and organizations have a stubborn resistance to teleworking breaking above the one-day a week level - for good reasons, I might add, including, for example, some fraction of office workers literally wanting to get out of the house each day.

NSF funded research has produced long lists of cautions and downsides on remote work, as assembled in the book *Distributed Work* (MIT Press, co-edited by *Future of Work* Senior Fellow Pamela Hinds):

<http://mitpress.mit.edu/catalog/item/default.asp?ttype=2&tid=8787>

None of the above should stop distributed work advocates and specialists from trying to push the incidence of productive alternative arrangements higher. I'm only saying, teleworking to save energy and the earth's atmosphere has important intrinsic limits.

As a long-term analyst of both telecom and transport, I would advocate the government emphasis be more on reducing the energy and emissions of vehicles and less on finding ways not to take trips.

By the way, the energy per capita cost of supporting life in Arizona is considerably higher than supporting life in Manhattan, but I wouldn't dream of advocating a public policy of pushing people to one geographic life style or another based on energy consumption. I advocate letting the price of energy do this instead, along with the price of everything else.

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5) BEST OF THE BLOG

Here's a small sampling of excerpts/lead-ins from our recent weblog posts. Please get in the habit of reading the [Future of Work weblog](#) regularly – bookmark it, or if you have an RSS news reader, subscribe to it. And please contribute as well. We're more than happy to reprint your stories, or to consider featuring you as a Guest Writer. We believe we're creating a unique knowledge base of what's going on out there today, and what's going to be going on tomorrow. If you want to learn about the future of work, [our blog](#) is the place to go (along with this very newsletter, of course). Just click on each headline below to visit the full original blog post.

[60 Minutes on "Working 24/7"](#) (April 3)

. . . I thoroughly enjoyed the segment on [CBS 60 Minutes](#) last night (April 2) on "[Working 24/7](#)". **Leslie Stahl** interviewed a bunch of folks who are using all those "convenience" tools (cell phones, pda's, laptops, WiFi, Blackberries, etc) to work any time, any place, and all the time, everywhere. She focused less on the organizational factors and much more on people's preferences. She even interviewed someone who has a flat-panel television and a phone system in his shower (!). . .

[The Ultimate in Outsourcing?](#) (April 11)

One of my favorite stories out of Tom Friedman's *The World is Flat* has always been about the McDonald's in Missouri that outsourced its drive-in order taking to a call center in Colorado ([click here](#) for my review of *The World is Flat*, published last May). . . .

Now for an update: today's *New York Times* reports that there are currently over 40 McDonald's restaurants around the country (including Honolulu) that are supported by a call center in Santa Maria, California, 150 miles east of Los Angeles ("[The Long-Distance Journey of a Fast-Food Order](#)"). . . .

[It's Not Easy Building Green \(But It's Worth It\)](#) (April 16)

Today's *New York Times* has an intriguing story ("[7 World Trade Center and Hearst Building: New York's Test Cases for Environmentally Aware Office Towers](#)") about the growth in popularity of "green" buildings, including both their economics and their social impacts, which turn out to be fairly compelling. . . .

[More Perspectives on the U.S. Education Crisis](#) (April 16)

The future of work is tied up inextricably with the future of education. And in the United States the future of education is at serious risk. . . . So when I came across a recent thought piece by *New York Times* columnist **Thomas Friedman** that raises even louder alarms than we have . . . I was somewhat gratified, if not exactly happy to learn that it's a lot worse than we thought. Friedman's piece was based on a study by [The Teaching Commission](#), headed by the former I.B.M. chairman **Louis Gerstner Jr.** The study, titled [Teaching at Risk](#), highlighted the urgent need to upgrade the quality and pay of America's K-12 teachers, but it didn't stop there.

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6) IN OUR HUMBLE OPINION: WORKPLACE DESIGN MATTERS!

Commentary by Charlie Grantham and Jim Ware

In search of the Holy Grail, or solving the Mystery of Mary

In the spirit (all puns intended) of the impending release of *The DaVinci Code* movie we thought we'd go on a little search ourselves this month. Unlike Tom Hanks we're looking for the elusive Holy Grail of workplace design.

And that would be? Envelope please....

The causal connection between workplace design and organizational financial performance.

Buford (B.T. to his friends), Maynard, and Cooter are off on spring break down in Can-Coon, Mexico. They're visiting Chicken Pizza (that old Mayan shrine) and checking out this in-migration thing. They'll have lots to woof about on *that* topic next month, we're sure. So this month's rant will be more in the original vein of Month Python (Get it? That was another pun, Holy Grail and all that). "Bring me a shrubbery..."

Let's work backwards with this one and start with the patently (*another* pun, folks) absurd obsession with financial performance. A little story dug from Buford's past, when he was in the car repair business – and we use that term loosely – should do nicely.

BT's talking with his accountant one day and the accountant points out the fact that BT can't pay his bills. So the number-cruncher suggests selling some of the tools and equipment in the shop to generate cash. "Okay," BT says, and off they go. Three months pass by and the accountant comes back again with the same suggestion. More equipment sold, bills paid, money in the bank; cash situation lookin' good. Well, this could go on for awhile, but let's cut to the chase. BT has this brain explosion one day and wanders down to the local café and slaps up a sign in the phone booth "Cars fixed, cheap, See Buford" (the discovery of marketing! hooha!)

All of a sudden several folks show up with tri-colored pick 'em ups and bent fenders. They're offering cash to fix their decrepit rigs. Big surprise, BT hasn't got the tools anymore to fix anything. But he's got money in the bank for the electricity bill and next month's rent. Get the picture? Steppin' over a dollar to pick up a dime. Bottom line (yet another pun): *short-term financial performance doesn't necessarily translate into sustainability.*

To paraphrase an old movie line: "What we have here is a failure to communicate." Sometimes there is just no "accounting" for it. Simply put (and here it comes), In Our Humble Opinion, **we're asking a question about performance that can't be answered in terms of old industrial thinking.**

Okay, okay, so now what do we do? The Holy Grail turns out to be an outdated metaphor (which, by the way, is the whole point of the DaVinci code). Dah!

We (the two of us) humbly suggest that we (all of us) need a new way of looking at the bottom-line performance of companies – a way that is much more expansive than just the financials. Then, maybe we'll be able to start seeing actual relationships between workplace design and performance outcomes. Financial performance is far too limiting a measure, and we've been chasing our econometric tails looking for some sort of alchemy solution.

Scanning the horizon we find one possible solution: The "Triple Bottom Line."

"In practical terms, triple bottom line accounting usually means expanding the traditional company reporting framework to take into account not just financial outcomes but also environmental and social performance" (http://en.wikipedia.org/wiki/Triple_bottom_line).

There are several sub-plots to this "triple bottom line" idea.

"Full cost accounting generally refers to the process of collecting and presenting information (costs as well as advantages) for each proposed alternative when a decision is necessary. Costs and advantages may be considered in terms of environmental, economical, and social impacts" (http://en.wikipedia.org/wiki/Full_cost_accounting).

(Editors' note: This Wikipedia thing is addictive and should forever make obsolescent the value-added role of serfs – otherwise known as graduate research assistants.)

And our favorite is: "Social capital is a concept with a variety of inter-related definitions, based on the value of [social networks](#)." (Full disclosure: Charlie did his dissertation, way back when, on quantifying the psychological value of social networks, and by the way it can be done).

(Oh, and for those of you who may have noticed, yes, we've been diagnosed with incipient "parenthetical cognitive dysfunction (PCD)" or the tendency to think in parentheses. The only known treatment (and it's not a cure – damn, did it again) is knowing that it's always 5 PM somewhere and following whatever advice Jimmie Buffet has to offer today.)

Where were we? Oh. It may well be that the highest correlation between workplace design and organizational performance comes through the design's impact on the formation of social capital through the construction and maintenance of new social networks. However, the rub in all that is that the benefit of the social capital formation accrues largely to the individual, and tracing workers' increases in social capital to the traditional bottom line is really the core problem. We can trace this individual-level connection more easily, as current research on innovations and tacit knowledge networks illustrate (<http://www.thinksmart.com/>).

But back to the problem: as much as we'd like to, we can't do the currency exchange between financial performance, the environmental impact of the enterprise, and social impacts. We've got Euro's, pesos, and blivits (we made that one up but you get the idea) here that don't translate one into the other very succinctly if at all.

So the Holy Grail is about finding out how workplace design impacts the generation of pesos, but the real correlation is to blivits. And blivits don't correspond (yet) with pesos. Are we clear here? As that great Midwestern philosopher Indiana Jones said "They're digging in the wrong place."

And this difficulty is not without historic precedent. The printing revolution brought with it changes in commerce that also required the development of new accounting systems:

"So people's economic value perceptions shifted from being able to control what was within their immediate reach, to aspire to have what could be created and brought to them. The concept of "money" spread as society advanced to a point where people could symbolically show their wealth and have a unit of measure in which it could trade this wealth.

We find it extremely interesting that this was the time that the profession of accounting began to take form and serious study was given to keeping track of this increased number of transactions." ("Gutenberg Wired: How the Printing Press Changed Society and How the Internet is Doing it All Over Again", Charles Grantham and Jeff Semenchuk, Institute for the Study of Distributed Work Working Paper, 2003).

Sound familiar?

Let's try re-phasing the problem. How does Slobovian Airlines relate providing First-Class seating with financial performance? Simple, huh? They charge more.

Wrong-a-mundo!! That's old thinking. What if the passenger didn't pay for the seat (as in, most employees don't pay for their workplaces). We strongly suspect that work environment has something to do with employee engagement, albeit indirectly, and that engagement increases their (the employees') social capital.

The problem is that companies don't have accounting systems that allow them to book this increased value of social capital to *their* (the company's) performance. Clue: your head should be hurting about now. Ergo: a new value system of knowledge mixing with an old accounting system based on tangible assets and liabilities – it's oil and water.

We've got some ideas about how a new system could work, but we're out of our allotted words for this month (jeez, just when it was getting good). The accounting department again, folks. But accounting principles are deeply encoded within organizational culture (back to DaVinci) and new ones would upset the hell out of the more orthodox management and investment perspective. Let the debate begin.

(This type of ending is known in couch potato circles as the "TBC" – to be continued)

Please direct your comments to comments@thefutureofwork.net. We'd love publish your reactions and suggestions. And thanks for listening.

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This issue of *Future of Work Agenda* was produced by Jim Ware and Charlie Grantham of the Work Design Collaborative, LLC.

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