

Morieux's six simple rules to managing complexity, Lean, and social business

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Yves Morieux's and Peter Tollman's [Six Simple Rules: How to Manage Complexity without Getting Complicated](#) is one of the most interesting books on designing and leading organizations published this year. Morieux has been refining the concept for the past few years, as the rules made their first appearance in his Harvard Business Review article in 2011, and featured prominently in his [TED talk in October 2013](#).

Morieux's basic argument is that complexity is best managed by creating practices that promote autonomy and cooperation, and he advocates six rules, adherence to which results in fostering the correct behaviors for improved performance throughout the company.

In this post, I will examine Morieux's six rules and compare them to Lean, because, even though Morieux does not mention Lean at all, and sometimes writes about processes in a negative manner, it seems obvious to me that there would be many similarities in companies guided by either set of principles. As a

matter of fact, at least the Lego Group has utilized both Morieux's guidance and Lean in practice.

I will also compare Morieux's rules to social business, as that comparison will highlight some interesting potential development in the way work is organized.

The six simple rules

According to Morieux, the six rules are both necessary and sufficient, i.e. none of them are redundant and all of them are needed to achieve the desired results. The first three rules increase the autonomy of people, and the last three rules increase the cooperation between people. Together, they create a framework for solving complexity without resorting to complex organization structures or processes.

1. **Understand what your people do**
2. **Reinforce integrators**
3. **Increase the total quantity of power**
4. **Increase reciprocity**
5. **Extend the shadow of the future**
6. **Reward those who cooperate**

Rule #1: Understand what your people do

The first rule is about genuine understanding of what people do and why. It goes **beyond job descriptions to understanding what people actually do during their working days**, and it also focuses on analyzing **the reasons behind their behavior**.

Behavior is explained in terms of game theory, and **human action is seen as rational and strategic: people have goals, they have resources with which to achieve those goals, and they have constraints that hinder them from achieving their goals**. By understanding the goals, resources, and constraints, human behavior can be predicted – and these predictions are often contrary to what might seem logical to management at first glance.

An example of this understanding is showcased with a case study of a hotel company that goes by the pseudonym InterLodge. InterLodge had a problem. Both the occupancy rate and the average price point per room were below target. Organizational restructuring, target setting, and incentive programs were attempted, but all failed to improve the situation in any way.

After a month of studying how actual work was done at InterLodge, the core issue began to emerge: housekeeping teams were so busy trying to reach their productivity targets that maintenance issues often went unreported. Furthermore, as guests checked in late in the evening, these issues became apparent only after the maintenance team had already went home for the day. The receptionists were then facing angry customers all alone, and their main goal had become to avoid getting yelled at. They achieved this by solving the problems themselves, offering new rooms to the customers, or giving discounts. Despite training and incentives to the contrary, these were the rational solutions for the receptionists to solve their most pressing issue, and resulted in a low occupancy rate (rooms kept in reserve) and a low price per room (discounts). The key to solving the issues was to give the receptionists more power to influence housekeeping and maintenance, and create more cooperation between the functions, including lateral career moves that made people see their work in a larger context.

Rule #2: Reinforce integrators

Integrator is not a separate role, but instead **any person in the organization who is in a position central to cooperation and who has both the power and desire to foster cooperation and make people work together.**

In a typical not-yet-cooperative organization, there are two types of people who are good candidates for reinventing into integrators:

- Those who express high levels of dissatisfaction at work: These people have an interest in improving cooperation, but not yet the power to do so. The receptionists at InterLodge are an example of this group.
- Those who are resented by others: These people have power, but use it to their own advantage, instead of the good of the company. If their role can be changed so that they have an interest to cooperate with others, they can be turned into integrators.

Rule #3: Increase the total quantity of power

The autonomy of people is increased by **distributing power throughout the organization.** Furthermore, power is not a zero-sum game, there are ways to increase the total amount of power in the organization: for example, whenever new requirements come into play, managing them creates a need for power. What is important is to ensure that power remains distributed, not necessarily equally, but distributed nonetheless, so that there will not be a situation where some people become too dominant (and thus prone to not cooperate).

Rule #4: Increase reciprocity

In order to increase reciprocity, Morieux strikes against what he calls three misconceptions about roles and objectives:

- **Misconception #1: The more clarity, the better:** Too much clarity is, in fact, a bad thing, and can both destroy cooperation and promote a tick-in-the-box mentality. Confusion cannot be tolerated, but fuzziness can. In a relay race, there is no exact moment when to pass the baton, it depends on the cooperation between runners.
- **Misconception #2: Cooperation dilutes personal responsibility:** In genuine cooperation, it is not possible to pinpoint exactly how responsible everyone is for the end result. In a relay race, both runners are responsible for successfully passing the baton, and if they fail, they both fail.
- **Misconception #3: Interdependency destroys accountability:** It is possible to be responsible for the end result, even if you control only part of the needed resources, as long as the others who have control over the other needed resources cooperate with you.

What should then be done instead?

- **Create rich objectives:** Specify objectives that can only be achieved through cooperation, but in which all participants also have some individual input of their own.
- **Eliminate internal monopolies:** Monopolies are units or individuals that others are dependent on, and who do not need to take into account the needs of others. Monopolies should be broken, either by making them contestable (giving others power to contest their decisions regarding budgeting, investments, or even career advancement) or by finding partial substitutes, either internal or external.
- **Reduce resources (time, systems, teams):** Reducing available resources can also force people to cooperate. Note that this is not a cost-cutting measure as such, but planned focus on cooperation.

Rule #5: Extend the shadow of the future

Shadow of the future refers to our knowledge of the future affecting current decisions. By creating improved feedback loops, a company can increase the importance of the future in decision-making and thus encourage better long-term decisions.

- **Tighten the feedback loops:** Increase the frequency of reviews and

activities.

- **Bring the end point forward:** Set shorter-term goals to ensure that the same people will still be around when consequences of actions begin.
- **Tie futures together:** For example, force people to train their own replacements before they can progress in their careers.
- **Make people walk in the shoes they have made for others:** For example, move design engineers to take care of warranty issues for the product they have designed.

Rule #6: Reward those who cooperate (and do not reward those who don't)

This rule has been summarized quite aptly by Jørgen Vig Knudstorp, the CEO of the LEGO Group “**Blame is not for failure, it is for failing to help or ask for help.**” It is necessary to go beyond the end result, to an in-depth understanding of how the end result was achieved, or not achieved, and how people cooperated, or refused to cooperate, which brought about the result.

Six simple rules and Lean

Lean is not just about business, it is a way of life. It is the application of the Confucian ideal of perfection to work life. There are many ways to express what Lean is about, and I prefer to simplify it into three principles:

Create value for the customer: Customer determines what is valuable. If the customer does not appreciate (and thus, by extension, be willing to pay for) some feature, that feature is irrelevant. A company should strive to create maximal value for its customers.

Eliminate waste: All activities that are not value-adding, are waste. Even parts of activities that are value-adding may be waste, if there is a better way to create the valuable outcome. A company should strive to eliminate waste in all of its activities.

Respect people: All human beings are improvable and perfectible through personal and communal endeavor. Continuous improvement towards perfection (which Toyota calls the True North) is a desirable goal in all things, even though full perfection can never be achieved. Therefore, all people, all employees, deserve the opportunity to improve themselves and their work and full support from the organization in doing so.

It should be clear based on these principles, that the scope of Lean is much larger than that of Morieux's six simple rules. Morieux's rules are not value

statements, they are highly practical guidelines to managing the increasing complexity of work. They do not guide you to create value for the customer, or even respect people as such. Therefore, the question is, are Morieux's rules compatible with Lean principles, and if they are, are they useful for developing a Lean company.

Six simple rules and creating value for the customer

While the six simple rules do not tell that creating value for the customer is important, the idea that cooperation is important in order to create value is implicit throughout the system. As such, rules 2, 4, 5, and 6 all help create value for the customer:

- Reinforcing integrators (rule #2) promotes cooperation and creates better end results
- Increasing reciprocity (rule #4) likewise promotes cooperation
- Rewarding those who cooperate (rule #6) does the same
- The most interesting one is rule #5, extending the shadow of the future. The improved feedback loops and making people walk in the shoes they have made for other improve customer understanding by leaps and bounds-

Six simple rules and eliminating waste

The first rule, understanding what your people do, plays a major role in eliminating waste. Then again, this is not new to Lean, this has been the crucial first step of every Lean turnaround ever, in the form of going to the gemba, value-stream mapping, and other methods.

Rule #3, increase the total quantity of power, also plays a central role in Lean: by bringing the decision-making authority to the shop floor, waste is reduced and operations are made more effective.

Six simple rules and respect for people

All of the six rules manifest respect for people: understanding what people do, promoting their autonomy, and having them work together are at the very core of what respect for people means in Lean.

Are there any incompatibilities between six simple rules and Lean?

Lean and six simple rules view processes in a bit different way. Morieux emphasizes that too much clarity is a bad thing, whereas Lean is often based on accurate processes that are constantly challenged and improved upon. However,

this conflict is more apparent than real: Morieux is addressing highly complex environments where multiple conflicting requirements cause problems, and in such environments creating highly detailed processes is not practical anyway.

Thus, Morieux's six simple rules fit in quite nicely for implementing Lean principles in a complex environment. Using them together with Lean principles also gives them a fuller meaning and guides the way the rules are used.

Six simple rules and social business

Social business is another philosophy, one of autonomy and transparency, that makes for an interesting comparison with the six simple rules. I define social business to consist of three principles:

Empower employees and customers: Decision-making is widely distributed within an organization. Customer input is collected whenever possible and rapidly reacted to.

Promote networking and collaboration: Self-organized collaboration is encouraged. Direct contacts between departments and between employees and customers are encouraged.

Promote transparency and openness: All information is widely accessible, except when there are special reasons (e.g. legal reasons) to restrict access.

Again, the six simple rules seem to fit together quite nicely with these ideals. Yet, here we come across more differences than with Lean.

The six simple rules make no reference to transparency for transparency's sake.

With six simple rules, cooperation is planned for, whereas in social business, cooperation or collaboration is emergent and serendipitous. This is also apparent in the way Morieux discusses the difference between collaboration (co-laborare, working together) and cooperation (co-opera, sharing work, more intention-focused). Social business is more about collaboration than cooperation, in the sense that people from all over the organization or even outside it come together in temporary, ad hoc arrangements based on common interests instead of planned cooperation.

The real question is, when things become really complicated, are we even able to plan for all the needed parties for cooperation, or do we need tools and methods that enable us to discover the right parties from a large mass of people or to collaborate with a large mass of people as such.

[Prediction markets](#) are an example of such large-scale collaboration typical in social business. They rely on wisdom of the crowds, really collaboration in the sense where it is furthest away from cooperation. **Whereas the six simple rules manage things on a micro level, social business can also take a macro level view and provide benefits outside the scope of the six simple rules.**

Conclusion

Morieux's six simple rules are a practical framework that can be used to support a Lean turnaround. They are fully compatible with Lean in the environment where they have been designed for (complexity), although Lean principles give them an even fuller meaning, complementing them nicely.

When comparing the six simple rules to social business, more differences are found. Social business is well-suited for managing even more complexity, at least under some circumstances. Lean can spread its umbrella over both the six simple rules and social business, and use them as tools under different circumstances. Social business can also use the six simple rules in some cases, and seek solutions outside their scope in others.

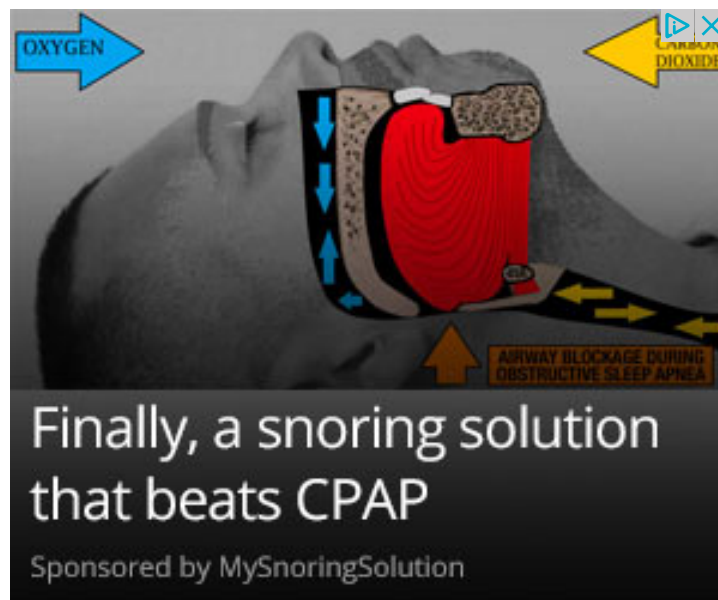


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