



Rien ne va plus! So let's start a New Game!



Thomas Sattelberger

Born in 1949, Thomas Sattelberger has been executive director for human resources at Deutsche Telekom AG since 2007. His previous engagements were with Continental AG, Deutsche Lufthansa AG and Daimler Benz AG. His main interests are in strategic planning for human resources, global talent management and international labor costs management.



Peter Kruse

Prof. Dr. Peter Kruse is managing partner of nextpractice GmbH and honorary professor for general and organizational psychology at the University of Bremen. The main focus of his work is on the development of new methods for the promotion and use of collective intelligence and the professionalization of entrepreneurship as a means of building a stabilizing form of culture.

tags stowe boyd, web,
twitter, social,
open, publishing,
democratization,
media

Peter Kruse and Thomas Sattelberger met in July 2010 in Bonn for a three hour conversation on how the Internet and the speed and scale of its complexity is challenging a huge company like Deutsche Telekom AG. Sattelberger described the change as “a dramatic transformation. While change used to be incremental or step-by-step, change is now something whose intensity and complexity we have no way of anticipating. There’s no textbook or manual you can read to prepare yourself for it.” He agreed with Kruse that network organizations are much more “elastic” in absorbing the pressure for change and scale and much more “responsive” due to the multiplicity of perspectives they contain..)

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When push and pull-strategies collide, is this the point where the downside of Enterprise 2.0/Web 2.0 becomes tangible?

Sattelberger: When it comes to Enterprise 2.0 I'm always worried about whether people are exploiting themselves. The unconditional way they devote themselves to a particular issue or to the network itself. I have to ask myself how I can avoid becoming autistic and how I can achieve a proper work-life-balance. And how I can build an appropriate framework for the employees here at Deutsche Telekom. The network model comes most starkly to the forefront in start-up corporate cultures and their dedication to 24/7 availability. In a major corporation like ours we also need to ask how individual staff members are coping with the issue. Can a company dispose of its employees just as it pleases – anytime, anywhere? I don't think so. For instance, we have introduced an email policy that explicitly states that employees have the right NOT to respond to emails over the weekend.

Kruse: And this leads us on to a really fascinating point. We need to distinguish between two forms of culture that are fundamentally different. On the one hand we're talking about a push culture in which everything, as it were, has its own hierarchical order and beat. And obviously 24/7 availability is an affront to any company whose culture is based on target agreements, control structures, and a primary focus on management and regulation. Employees are subject to relentless pressure which they have no means of avoiding. So when a company introduces a push culture to operate new media, the outlook becomes very bleak for the people who work there. Because self-motivation is then indirectly turned into self-exploitation – controlled, as it were, from top-down.

Sattelberger: Yes indeed. We talk about Enterprise 2.0 from two quite different perspectives. On the one hand we talk about Enterprise 2.0 in terms of the old corporate logic like availability, control, directives and performance management, and on the other about Enterprise 2.0 as a pull culture – to elaborate on your term – as a kind of laid-back entrepreneurship that's young, cool, edgy, back to nature and individualistic. These are two completely different worlds which we need to address very seriously as Deutsche Telekom.

Because there's no doubt in my mind that here we are facing a potential downside of Web2.0.

Kruse: If you live in a corporate culture which is more in line with the old logic than the technical opportunities Web2.0 offers, you really expose it to the danger of misuse. That's true enough. And I'm ever so slightly anxious about this because in doing so you run the danger of destroying the positive aspects. And that's exactly the point where the exploitation critique kicks in. This means that it's important and absolutely essential for leaders and managers to simply pull their weight in shaping and steering the transition from a push culture to an aspirational, inspirational pull culture.

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How would you rate the risk that "open knowledge" turns people into motivated day laborers handing on their intellectual capital?

Kruse: There's no risk at all. From the moment I feed intellectual capital into a network I – as an individual – become and remain attractive for this particular network. And whenever you're attractive within a network, whenever you add value to the network, you will get something back. That's just the way networks function.

Sattelberger: Does this apply to companies as well?

Kruse: Yes. And with it we quickly come to the point where we have to discuss applicable business models and how to allocate the gewonnene capital gained.

Sattelberger: OK, the question of value and counter-value. There too I think that initial enthusiasm ...

Kruse: ... can pretty soon have the dampers put on it.

Sattelberger: Yep.

Kruse: That's right! But even so, there are still certain basic rules in the network which can prevent this happening. One of them, for instance is "tit for tat". This means that if my trust has once been misused in the network, then I will withdraw from that network. This is the highest damage I can inflict on it – no matter if I act as an individual or a company. An almost allergic reaction.

Sattelberger: Which shows that work with and in the network is really work that carries a great deal of dignity.

Kruse: Carries dignity and confers it on both sides. In a network you really have to be very straight forward and very open, and you simply have to bear in mind that withdrawal from a network really is a hard hitting penalty. Normally you'd always ask yourself where your power in the network comes from. The powerful person in a network is the one who feeds in, who adds value, who creates benefits, it's usually not the person with the money.

In networks the people with the real power are the consumers and customers – it's no longer providers of goods and services. And the same is true in companies. In the next few years we'll most likely see that employees will become a lot more aware of the power they hold. Power is no longer structured in hierarchies from the top down; it's something that employees want to share in too. And if the company doesn't let them participate or fails to nurture the right kind of environment – well, their names might still be on the payroll but they are blocking out company ideas. And who's going to pick up the bill for the damage? At the end of the day it will be the company itself.

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This seems to turn corporate culture into a key strategic issue for the company ...

Kruse: It sure does! Strategically speaking, creating and building such a corporate culture is absolutely crucial because it has been elevated to a new level of importance by the advent of networks.

Sattelberger: Enterprise 2.0 deals with hierarchies and power, informality and relationships, collaboration and openness. In my opinion these are all key values in this “new” corporate culture which haven't reached their full potential in today's business world. What we're seeing now is only their first budding.

Kruse: Basically this “new” type of corporate culture needs to nurture two drivers. Firstly, it needs to provide space to manage creative processes, to share knowledge and thus extract the maximum amount of creativity from the system that's possible this side of self-exploitation.

And secondly, it must address the fact that we're not going to get one step further with purely competitive models. In the next few years we're going to see totally new forms of cooperation between companies, new forms of both horizontal and vertical cooperation. Cooperation has taken on a new dimension of meaning for companies, and they are now investigating new ways of vertical and horizontal working partnerships.

To give you an example, integration between manufacturers and suppliers is now being completely re-engineered. Beforehand the model used to apply that buying from suppliers put the manufacturer under pressure and that you extracted maximum added value through the negotiation of good prices. NOWADAYS this is no longer enough. Nowadays we are in a situation where people realize that they have to work together to open up new markets. And this realization all of a sudden is breaking down company boundaries. Companies are ready to collaborate in a totally new and highly dynamic way.

Sattelberger: But then what we're basically speaking about is that the way in which we shape competition has developed from monopolistic types of competition – swallowing competitors as we've seen in the recent waves of mergers and acquisitions – into a highly cooperative type of competition of the sort we see with strategic alliances and networks.

Kruse: Yes. I think that's exactly the kind of direction it's taking. New technologies are a vital factor in drastically reducing the costs of cooperation. We now have the technological opportunities to drive this kind of cooperation forward. Beforehand, it used to be much more cost intensive and so it was always much cheaper to stay securely within company boundaries. In other words, cooperation is set to be a key competitive factor – however absurd this may sound at first hearing.

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Does this “new” corporate culture demand new management structures and leadership?

Sattelberger: (Laughing) That's a very difficult question to ask of someone like me with my patriarchal style of leadership! But seriously it's a very important issue and I do worry about it! How should I change

myself? What should the frameset look like for my employees? Where are the boundaries?

Kruse: When I talk about self-organization, new management structures and leadership, I often hear criticisms to the effect that I'm moving too much on the level of general principles and not going into sufficient detail – that I'm not sufficiently specific. Even so, I still think that as soon as you start to reflect on these issues you have to elevate the form of leadership into a higher form of abstraction. You are working on building the frameset. You no longer have, so to speak, the opportunity to delve into all the operational details because that's an area in which you really have to provide maximum room for maneuver and development. The question that needs to be asked here is how can I create this framework and have it accepted by all the stakeholders in a company? And here we are up on the values level.

Sattelberger: Which is often a difficult level to deal with. I totally agree with you because basically it's leadership on a metalevel – “level three” leadership above command-and-control and also above performance contracting. And this level isn't more simple, it's more complicated. What I'm increasingly concerned with are questions like does my style of leadership allow my association, the social organism, to remain intact? So that my expertise stays there and feels at home. How diversified must a system become to be responsive to outside influences? But also to what extent does the strength of the system depend on the integrity of its players? I can see from my own experience that I now take much longer periods of reflection in my interactions with people. And that outcomes are often much more open than they used to be.

Kruse: On this level of principles and values a leader – or actually anybody in the system – has to be aware of the fact, that it's becoming increasingly important that you yourself become your own role model – that you walk the talk, as it were. People will no longer assess you by your operational side, they'll rather tend to evaluate you on your values-based side. Are you acting and leading according to your values? This is a tremendous upgrading of the importance of the role model function within the concept of leadership. Competence in some field of expertise no longer stands alone as a quality for leadership; in future what will carry clout are role models on the values level.

And this could certainly lead to the situation in which an employee much further down the hierarchy has in fact a lot more to say than me, the leader at the top ...

Sattelberger: ... and in order to achieve this, we managers have to become actors within the network.

Kruse: (Laughing) I'm pleased to hear you say that! This is the central point. It's crucial! What you really have to do is to dive into the networks, “swim” in it as if it were the most natural thing in the world and simply become part of it. You as one among many others. That's the only way of finding out which directions the various currents are taking, and it's the only way of getting network feedback to the impulses you feed in.

Sattelberger: As a manager I lead an election campaign for the hearts and minds of other network participants.

Kruse: Yes, you've got to keep pitching for reputation and resonance.

Sattelberger: Even though as a member of the executive board you're given role and power is present, nowadays it's becoming increasingly obvious that managers can't survive when they aren't accepted by their people. When they lose the assent of their people, they become hollow shells, empty vessels with no heart and soul in the network. This is something we managers have to recognize and accept.

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How do you yourself operate in these networks?

Sattelberger: I am clearly dependent on help from other people. Producing something unique like a blog post requires a great deal of energy. People help me – for instance by researching the hard facts. In that way I can produce something in 20 minutes which otherwise would take me twice the time. Every now and then when it's a particularly “hot” topic, I make a personal intervention and give the subject my personal imprint.

Take, for instance, my blog post on women's quotas in the company where I intervened on two particular points. Although – you're always better off with the benefit of hindsight – my intervention should have

been a lot more “personal” in nature. I was too hide-bound, too “statesman-like”. I think in networks you have to be much more direct, crystal clear and authentic than in traditional types of communication whose style is often colored by propaganda and too grandiloquent – which simply puts people off. So here too I am facing another challenge: I have to find MY way in terms of how I comment and argue.

Kruse: I think so too. You have to be to the point and quick off the mark. If you are authentic, you can be quick on the draw because all that PR-polishing isn’t needed any more.

Sattelberger: Yep.

And then there’s also the question of how much time I spend networking. At the moment I’m none too sure how much time I can allow myself. I do feel that the network is a place I should be in order to respond spontaneously, quickly, directly and authentically – and to keep in touch with what’s going on. So I need to rethink the way my work is organized. And that’s another true challenge. “Networking time” doesn’t yet figure on the agenda of a board member at Deutsche Telekom.

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How far would you subscribe to the idea that corporate culture – or communication to the inside – is only the flipside of brand communication or communication to the outside? And that the more a company masters this synchronization, the better a market player it will be.

Sattelberger: Pressure to synchronize is clearly increasing. Organizations are diversified and have many voices, but you have to hear the melody when the choir sings. And the melody clearly refers to the values of a company while the voices are more brand-related.

Kruse: Actually it’s always been the case that brands don’t belong to the company but rather to the discourse between company customers. Only now – driven by social media – this fact has become startlingly apparent for the first time. And the contradictions are becoming steadily more visible too: everybody can spot them straight away.

Sattelberger: This means that at some point the theme of Enterprise 2.0 will also be reflected in a higher brand authenticity and – hopefully – a brand identity with fewer contradictions.

Kruse: You can actually take this idea a very long way. If company employees become participants in the discourse on the brand, then they really do become brand ambassadors – as we used to say about company field reps. Nowadays it’s not the field reps who are brand ambassadors, it’s all the company staff. The entire company! And so straight away there’s the question: how should we react when individual employees post a comment on a company or a brand and suddenly trigger an avalanche?

Sattelberger: Would you advise taking disciplinary action against them?

Kruse: Certainly not! But you’ve got to be clear about exactly what you’re doing when you open the floodgates and the water starts to gush. Because there’s no certain outcome as to how things are going to develop. And once you’ve released the water, it flows ...

Sattelberger: That’s also something I worry about – just how much the floodgates should be opened? You can’t open them just a bit! When they’re open, they’re completely open, not just slightly ajar ...

Kruse: ... that’s the way it is! Difficult to control!

Sattelberger: ... sure! When management and staff operate within the same network, when all the various departments in a company do so, when all these day-to-day cultural interactions bear fruit, the risks of the floodgates opening is tremendously reduced. So even when someone “sends up a rocket” the majority of people will raise their voices and say we don’t see it that way at all.

Kruse: Yes, this is an experience you can really make. When a company has a resonant baseline, so to speak, discourse will not turn into scandal – it will always start to balance itself out. This is simply the way networks function.

Let me highlight another benefit companies can achieve when they and their employees become part

of the network. They gain a certain understanding of the social dynamics in their environment that can be highly profitable and beneficial to the company. When we have company staff engaging with these dynamics, we have people who are very close to the brand. People who simply know what's happening with the brand. Many retail companies are really proud to see their employees becoming something like highly desirable and sought-after network partners for their customers. Customers make special efforts to engage with particular staff members endowed with a particular expertise in the network – quite independently of where these people stand in the organizational structure. This is very well worthwhile developing because it offers a different kind of representation. A representation which strengthens ties to the customer.

Sattelberger: Once again, this underlines the increasing importance of values in corporate culture. Brand ambassadors can turn into brand renegades. And when that happens big time, it's pretty dangerous. It creates a kind of whirlpool effect. The more people are active in the network, the more we managers are forced to promote internet democracy and set the frame!

Kruse: Thank you. That is a key statement I can immediately subscribe to. The fact that we are intensifying our work with this network on the outside constrains us to adopt this network culture on the inside. Traditional internal power structures have simply begun to totter. And this means that the issue of power is one that we're going to spend a lot of time on over the next few years. Don't you agree?

Sattelberger: A rather flippant remark has just come to mind which says – most things in life are to do with sex and love, money ... and power, the basic forces and motivations that drive people. The really interesting question is whether in fact the Web can work against this human genetic wiring – whether the Web can induce large-scale, long-term change in power structures? Has the network really got the power to tame – or to put it more elegantly – to sublimate basic human dynamics?

Kruse: What we are now involved in is nothing less than re-writing the story of how business should be done or – on an even broader basis – how nations should be governed. It's a complete reversal of what we've known so far! Today, however, we are dealing with a situation where consumers, customers and citizens sometimes wield more power than companies and governments themselves.

And at least I've learned that when we change the rules in a system, we pretty much start a new game. And if you ask me how the game will end, I'd just say – let's first start to play it! Even so, with regard to companies I'm already pretty certain that if they don't change their rules they're going to have long-term problems in the globally networked markets we now have.