

HR PEOPLE + STRATEGY

STRATEGIC HR FORUM

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Positively Disrupt or Be Disrupted

There has been more change in the last five years than the 50 years previous. The average lifespan of a company on the S&P 500 is dropping. Today's change environment is fast, frequent, extreme, and unpredictable.

To learn how companies can successfully disrupt themselves and keep pace with this change, I examined 60 adaptive companies in great detail. What I found is that there are operational systems and entrepreneurial pockets in each company.

The operational systems operate like freight liners: efficient and great for paying bills. At the same time, companies need to place "speed boat" bets in growth areas—the entrepreneurial pockets.

How do you connect the speed boats to the freight liners? **Adaptive space**

is the social bridge that connects the speed boats to the freight liners and moves away from one-size-fits-all best practices.

Adaptive space has four dimensions:

- » Discovery—interactions that trigger new ideas and learning
- » Development—local interaction with teams that expand and refine ideas
- » Diffusion—interactions to move the ideas across the organization
- » Disruption—interactions to overcome the formal structures

In **Discovery**, companies need to facilitate discovery activities, intentionally place brokers, and create bridges. One method is the use of two-pizza teams. These are small, trusting, single-purpose teams that can move fast. Organizations produce more innovation when there are 100 people in clusters of teams than just 100 people.

In **Development**, organizations should cultivate pockets of innovation, protect boundaries, and foster social cohesion.

During **Diffusion**, companies create space for energizers, leverage the reputation of energizers, and encourage innovation beyond local pockets. One note about negative influences: don't feed the beast. If you feed the positive people, the negative ones will be pushed to the edge of the social network and will eventually quit. Feed the energizers and they will spread ideas across the organization.

Once companies have reached the **Disruption** stage, conflict is healthy and needed. This is where ideas need to be pressure tested to ensure scalability.