The Difference Between Networks and Hierarchies

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We Work in Both Hierarchical and Networked Organizations

- Hierarchies are basic to current organizational design
- Networks have emerged from the incorporation of technology in our organizations – think: e-mail, voice-mail, networked calendaring, cell phones, blackberry handheld computers, text messaging, pod casts, You tube etc.
- Hierarchies and networks have different principles that govern their organizational dynamics.
- This is why it is sometimes confusing to work in organizations
- The trick is to recognize which principles are operating when

Hierarchies and Networks have Different Ways of Working

Different operating principles include:

- Different ways of relating
- Different ways of thinking
- Different ways of distributing responsibility
- Different ways of influencing change
- Different ways of learning

Hierarchical and Networked Principles of Relating

Hierarchies – formalized relationships based on position, organizational alignment, and assumption of compartmentalization. Your value is based in your autonomy.

Networks – relationships based on trust, integrity, and the assumption of interdependence. Your value is based in your connection to each other. One person can disrupt the system (due to interdependence) until the rest of the group can stop the behavior

Hierarchical and Networked Principles of Relating

Hierarchies value logic and rationality and base relationships on position, essential duties, and "professionalism".

Emotions are amplified in a network. And often makes decision making more emotional than rational. Relationships transcend position. Relationships based on trust and integrity last.

Hierarchical and Networked Principles for Thinking

In networks, meaning is found in the relationship between variables;

- Interdependent solutions for interdependent problems
- Relational thinking (time, conceptual, people etc.)
- Mutual causality

In hierarchies, at their best work from logic models, linear causality, and each part doing what they are designed to do.

Hierarchical and Networked Principles of Responsibility

Hierarchical organizations have finite limits to responsibility with more responsibility given to people in higher positions.

Networks have infinite amounts of responsibility, with each person carrying as much responsibility as they are capable for the larger whole.

Hierarchical and Networked Principles of Influencing Change

Hierarchies use positional power and drive change downward through the system

- "Change starts at the top" – others "wait to be told
- Vision starts with the leader
- Incremental change

Networks use organic change strategies and resist force.

- Non-linear dynamics… jumps and stalls
- Change flows through relationships
- More organic
- Change can be initiated from anywhere

Hierarchies and Network Principles on Learning

Hierarchies:

- Expert knowledge valued
- Everything is knowable
- Learning is sequential and task specific
- Learn in parts, not wholes

Learning reinvested in the organization creates a competitive edge; therefore there is a search for generative new knowledge

- Requires the integration of concepts, capacities, and practice
- Cooperation becomes economically efficient
- Need to leverage intelligence not just participation

Characteristics of Hierarchies and Networked Organizations

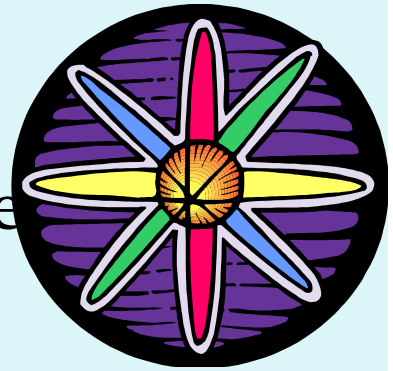
Hierarchical	**Networked**
Parts perspective	*Whole system perspective*
Distinct boundaries	*Blurred boundaries*
Linear causality	*Non-linear causality*

Characteristics of Hierarchical and Networked Orientations

Hierarchical	**Networked**
Incremental change	*Dynamic change*
Simple complexity	*Complex complexity*
The whole is the sum of its parts	*The whole is more than the sum of its parts*
The system can be controlled	*The system can be influenced*

The Spiral of Connectivity

- Connectivity creates dynamic movement within a system.
- This increases the level of complexity in the system.
- This requires learning on both individual and organizational levels.
- Generative learning becomes necessary for the organization's adaptability to its turbulent environment.



This is why the learning organization literature emerged when it did and why generative learning and communities of practice is critical in today's world