

## **Guidelines for Effective Lateral Processes**

*By Alan S. Gutterman*

Lateral processes are an important element of organizational design and the impact of lateral relations strategies increases significantly as the business activities of the organization grow and additional business units are created. As such, senior managers and others involved in the organizational design process need to be mindful of the conditions that must be satisfied in order for formal organizational groups to openly share information, debate alternatives and arrive at decisions that are appropriate for the organization and perceived as fair and legitimate by members of each of the groups that are relevant to the particular activity, issue or problem. First and foremost, lateral processes must have full support of senior management and the organization must provide incentives and rewards for participation. In addition, however, attention must be paid to composition of the group and selection procedures as well as the tools used by groups to resolve conflicts.

In his 1977 book *Organizational Design*, J.R. Galbraith created the following list of useful guidelines for establishing effective lateral processes, particularly task forces and teams, which can serve as a starting point for deciding which integrating mechanisms should be selected and how they should be implemented:

1. The participants—the managers and employees serving as members of the task forces and teams—must perceive lateral processes to be valued by the organization and must feel that the performance of the group will be an important factor in determining whether their personal needs in relation to the organization are satisfied. For example, members are more likely to take their responsibilities seriously when it is announced that group performance will be taken into account in their personal performance reviews.
2. A substantial minority of the members of a particular task force or team must also have the ultimate responsibility for the implementation of any decisions made by the group. Put another way, members of the group must have some “skin in the game” that pushes them to take the deliberations of the group seriously and ensure that all necessary details are worked out in advance so that no additional issues arise once the focus has moved from communication and negotiation to implementation.
3. Task force and team members must have access to all information necessary in order for them to make the required decisions within the parameters established by the senior managers who have convened the group. Among other things, this means that members must come from those levels of the organization where the required information is located and used on a daily basis. For example, it may be a mistake to appoint a higher level engineering representative to a team if that person cannot understand and appreciate the practical impact that a particular engineering decision might have on the other departments involved in resolving the problem.

4. Participants on the task force or team must have the requisite authority to commit their department to take the actions agreed upon by the group. For example, the representative from the manufacturing function on a team focusing on new product development must be able to take the recommendations of the team back to his or her department and convince other department members to integrate the ideas of the team into the manufacturing process for the new product. In addition, however, the representative should have sufficient authority, or power of persuasion, within the manufacturing department to ensure that the team recommendations are accepted and implemented. Nothing undermines the morale and legitimacy of the group faster than to find that a commitment made by the representative of a department is vetoed by a superior. In order to satisfy this condition, departmental managers with the requisite information and authority must be willing to participate on tasks forces and teams.

5. The dominant feature of any task force or team must be knowledge and information as opposed to where participants might normally fall in the day-to-day hierarchical structure of the organization. As necessary, specialists with the needed skills must be drawn from different levels of the organization and any such differences should not slow or impede the problem-solving process for which the groups have been formed. Put another way, higher-level representatives on a task force or team should recognize and respect the potential contributions of lower-level members with the necessary knowledge and information.

6. Lateral processes must compliment, rather than replace, the normal vertical communication processes within the organizational structure. Lateral processes should be used when it is more efficient to attempt to make decisions at lower levels of the organization; however, information regarding the decisions reached through the lateral processes should be disseminated to all parties with a “need to know” so that the information becomes part of the organization’s overall information system. If the senior manager of a department represented on a task force or team is not told of the decisions made by the group the manager may decide to limit the discretion of the department’s representatives to the group and thus thwart the entire purpose of the lateral process. In order to prevent this from happening it is important for members of any task force or team to establish regular reporting procedures with their departmental supervisors to make sure that information on group activities is being properly disseminated.

7. The optimal mix of task force and team membership is a small core of full-time members joined by a majority of members who participate on a part-time basis. Members working on a project on a full time basis are typically more focused and motivated to successfully complete the project because they have invested a substantial amount of time and effort; however, the tradeoff is that full time members lose contact with their departmental colleagues who may possess specialist information that would be useful for the project. Part time members retain their regular specialty contacts but will likely be distracted by the need to maintain attention to other activities. As such, a combination of full-time and part-time members is recommended with the mix determined by an assessment of just how valuable ongoing specialty contacts might be

during the course of a particular project (e.g., if specialist information does not change rapidly then there is less risk in having more full-time members).

8. Members of any task force or team must be familiar with, and willing to practice, various forms of conflicts resolution practices in order to facilitate and complete the group decision process. While there are many different methods for resolving conflicts the most important thing for members to be able to do is share information regarding their preferences and the reasons therefore, listen to the preferences of other departments and search in good faith for alternatives that will meet or exceed the threshold level of satisfaction for as many departments as possible. Bargaining may be necessary in some situations and every effort should be made to avoid situations where one representative uses his position or control over information or other resources as leverage to force a result on the others.

9. Members of any task force or team must have the requisite group and interpersonal skills to share and consider all information and accept and tolerate the confrontational aspects of the conflicts resolution process that is part of group decision making. This means that care must be taken when team members are selected to evaluate the interpersonal skills of candidates and that resources may need to be invested in training and team-building activities. The human resources department can play a big role in maximizing the benefits that an organization derives from lateral processes by making training available to all managers and employees interested in becoming candidates to serve on a task force or team.

10. While task forces and teams can hopefully arrive at a decision based on consensus, there may be situations where one member of the group must assume a leadership position to force a solution out of the group in order for the business of the organization to proceed. The most likely situation for this to occur is when the actions of the group will have a greater impact on one department than on the others. In that case, the representative of that department becomes the de-facto leader of the group and must make an effort to allow other departments to provide their input and collect information from other departments that will lead to a better decision that is perceived as fair and informed by all group members. In fact, the leader should make every effort to forge a consensus and refrain from forcing a decision unless and until it is clear that one cannot be achieved following a full vetting of the views and concerns of all members. Otherwise the other members may feel that the whole process was a sham and may be reluctant to participate in the future.

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