

# The Stadium Parable

By Jeffrey Stamps and Jessica Lipnack

The organization chart—or, organigram—is the world’s icon for the structure of enterprises. Every group of any size has an org chart.

But for all its use, the org chart is not very popular. People say it accurately represents lines of authority—but, that’s about as far as they’ll go. And that’s about as deep an insight as most org charts offer.

Picture a page of a typical org-chart: twenty or so boxes, forty at most if you use a small font. Then divide: If your organization has, say, four-thousand people, you are looking at one percent of the employees. If your enterprise is forty-thousand strong, you are looking at one-tenth of one percent. If your workforce doubles when you include contractors, divide those numbers in half.

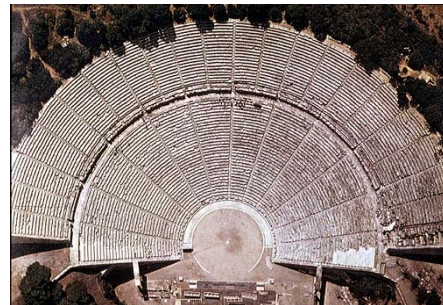
The aperture-setting for most org charts is so small that they shed little light on the true depth—and complexity—of the organization. And the “wires” connecting the boxes rarely reflect all the built-in responsibilities that come with each position.

What if, instead of seeing merely the top layers, we could see nearly all of the organization—and measure it from different angles? Visualizing and measuring the whole, it turns out, makes all the difference in how we communicate, connect in teams, and lead in the increasingly networked world.

## Your Organization in a Stadium

Imagine that you are going to build a life-size model of your four-thousand-person organization. As chief executive, you invite everyone to participate—and everyone comes.

Your venue? An amphitheatre like the Hollywood Bowl, seats fanning out and ascending in semi-circular tiers.



From the dais, you watch as the sun rises and employees pour into the stadium. Chatting and shaking hands, they mill about, looking for their assigned seats. The back of each seat is lettered with a [position](#) title and a person’s name; on the seat itself, are a hat, coat, and pants. Function dictates seat and uniform color.

## Sitting in a hierarchy

“Good morning,” you say at eight sharp. “May I ask you to put on your uniforms? I will too.” You step into red pants, slip on a red jacket, and pull on a red hat with the number “1” on the brim.

The uniforms are not all the same and so you explain: different uniforms for different [types of positions](#).

“If you have a white coat and hat, it means you’re in a staff position, with no one else reporting to you. Notice that your cuffs and lapels are in your function’s color. Dressed all in the same color? You’re a line manager of staff. Got gold trim on your shoulder and hat? You’re an executive manager, with people reporting to you who also are managers.



“Now look at the patches on your jacket. Everyone has at least one indicating the ‘home team’ of your line manager. Managers, you have two home-team patches, one for the teams you manage and one for your boss’s team. Each patch has your [group’s](#) ‘level’, the same number that’s on your hat, same as the tier that you’re in. Level means your relative closeness to me, your degree of separation from the top.

“Also notice that each tier in the stadium is painted a different color, the same as your hat’s brim. I’m here in red, my senior leadership team in Tier 2 is orange, and so on out to the top Tier, a deep purple. I can easily see out to the yellow tier, Tier 3, behind my leadership team. Beyond that, I can’t really see you but I can see that most of the seats are filled, albeit with a few vacancies. With all of you, sitting still just like this, everyone in their seats one row behind their managers, it’s a very orderly picture. This, my friends, is the [simple hierarchy](#) of [sub-organizations](#), an [interlocking set of management teams](#) from top to bottom.”

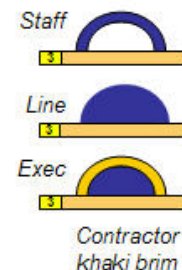


## Inviting in the contractors

“Now let’s mix it up a little,” you say, signaling for the doors to open all around the stadium again as several thousand [contractors](#) flow in. Magically, tiers broaden, lengthen, and deepen to accommodate them. The contractors take their seats in the proper functions and don khaki coats and pants. Like everyone else, their coats and hats are trimmed in the color of their functions, and bear the distinctions of staff, line, or executive roles.

With the arrival of contractors, teams and leadership spans swell and some organizations balloon in size. As the stadium enlarges, more of the organization tumbles from sight.

“Line managers, upgrade your jackets,” you say, as executive braid is distributed to those who now have managers reporting to them. “Staff who have now become



managers: trade in your white jackets for those in your function’s color. A few of you need executive braid too as you’re now managing contractors who manage contractors.”

“At this point,” you observe, “we can see the real extended formal leadership network. But it’s hard to see a few rows beyond yourself, isn’t it? Notice how steep the rise is between levels. From my [perspective](#), I can see the hundred or so people in the second and third tiers but, by the tier beyond, I can’t really see your faces or the lines between the upper tiers. A pattern that’s clear up close tumbles over the visible horizon. Mainly what I can see clearly is the territory of a three-level org chart. And, I’d venture to say the same is true for you.”



### Adding links, in four parts

“On to filling out our connections,” you say. “Now we’ll link by solid-line reporting relationships, matrix (or dotted line) reporting relationships, key team memberships, and workflow process links.

“Managers, please extend a length of [solid-red ribbon](#) marked with [arrows](#) pointing from your seat to that of everyone who works for you. Next, managers with matrix reports, stretch a length of [dotted-red ribbon](#) from your seat to those who report dotted line to you. While you’re at it, heave them a new team patch.” Now, streamers of solid and dotted lines criss-cross the stadium as people sew new patches on their sleeves and a few upgrade their uniforms.

“The third step is to link all the teams: if you lead any team that’s authorized or funded—project teams, panels, boards, committees, pilots—please stand.” Many managers—and many staff—rise. “Leaders, please run [green ribbons](#) pointing from your seat to your members’ seats. If you lead more than one team, repeat. And remember to pass out team patches.” People add patches to their uniforms for [each team where they play a role](#).



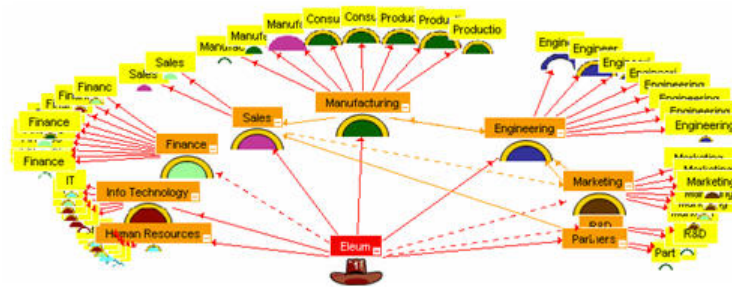
This simple exercise, linking up all the teams, provokes a great flurry as thousands of green ribbons fly through the air and people alter their uniforms again. Staff members trade up to manager outfits because they are leaders of key working teams; many managers add executive braid.

“So now what emerges,” you remark, “is the much more extensive [true leadership network](#) identified from the [bottom-up](#)—along with a great tangle of green sash.

“And so for our last linking activity, I ask all team leaders to stand. Choose the card—“[Resource](#)” or “[Workflow](#)”—that identifies your teams’ basic functions and hold it up. [Workflow](#) leaders, string [orange ribbons](#), again marked with arrows, from your seats to your customer(s) seats. Together, we will map our implicit process flow from input to output at each level.”

From the front, you watch the [top-level workflow diagram](#) take shape as the R&D senior team leader ties an orange ribbon to the seat of the Engineering team’s senior leader who ties a ribbon to the Manufacturing leader’s seat who ties onto the senior Sales seat.

“Now, please rearrange your seats in the order of the process flow. Resource functions like Finance, HR, and IT cluster around the team’s leader.” Confusion ensues then clears as people straighten out the orange ribbons, lining up horizontally in the operating network of teams along the tiers, marking the [internal critical paths](#).



“Well, it’s the same as with the authority structure. I can only see the workflow pattern a few links away. At best, if I take the perspective of any single team, I can see my customer’s customers and supplier’s suppliers but not beyond that. No matter where I sit, I can only see a snippet of the multiple levels of process.”

With heads turning and nodding around the stadium, you draw the exercise to a close.

“You’re all invited to the Stadium Reception on the Great Field behind us. Stay in your uniforms and enjoy yourself. We’ll do a bit more before dinner.”

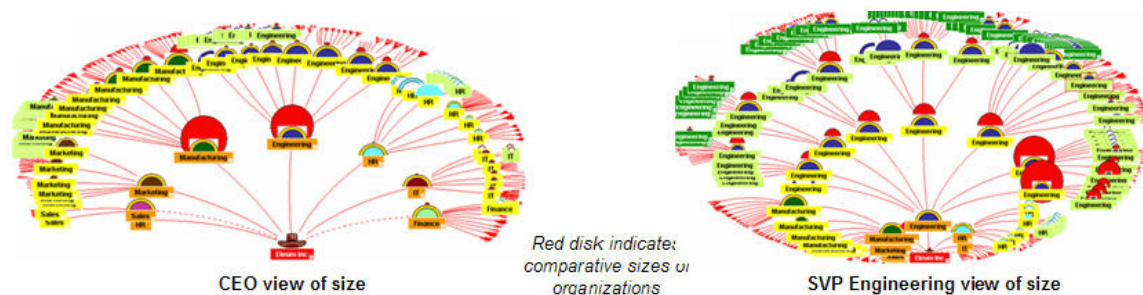
As thousands file out, you notice some people looking back at the seats, the tiers, and the tangle of ribbons. Many seem to be wondering the same thing you are: “Does the whole organization walk out the door when we leave? Or do we leave something behind in the seats and the tangled connections among us? And does what we leave behind need improvement? Is this design fit for our purpose?”

## An organization network alight

With the sun setting, the stadium glows with seats in their functional hues, colors of ribbons, pulsing in the direction of their arrows—from managers to subordinates, from team leaders to team members, from input functions to output functions. The pattern of jobs and connections emerges in the dimming light as the real size of the organization,

the astonishing number of teams, the complexity of the workflow, and the true responsibilities of each position appear. You invite everyone to take another look from their vantage points on the field.

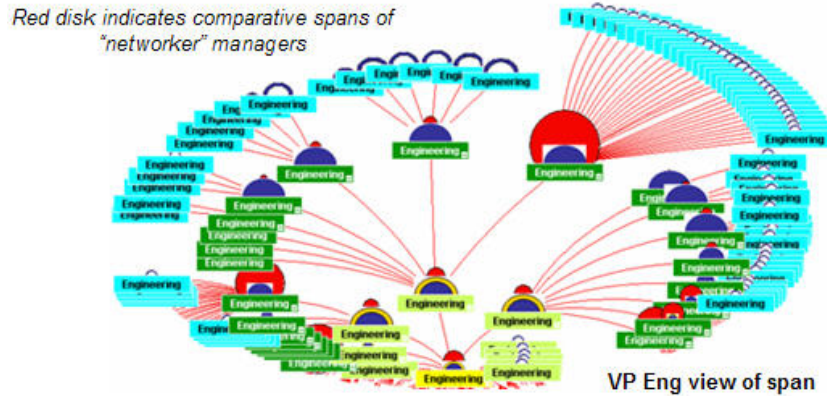
“I notice really big differences in the relative sizes of the major functions,” you begin. “Of the ten functions on my leadership team, some are quite small; they only go as far as Tier 4. But, two functions are huge and extend to the highest tiers, dwarfing all others. Now consider this: from my perspective, I can’t really appreciate the true depth of the large functions. It’s basically invisible to us senior leaders. This means that when I invite my direct reports’ leaders to convene their direct reports in the next leadership group, the very big functions are, by size, underrepresented while the very small functions are likely overrepresented.”



“I encourage all of you to walk through the tiers. At each seat, including mine, you’ll see a small screen that lists some basic [measures and distributions](#) associated with that position: its level, the size of the sub-organization it’s responsible for, the number of people reporting to it, and the number of locations where people in the organization are situated. Look especially at the seats of people you know well. Notice how many teams they are on, how complex their jobs are. You might be surprised at how many [invisible responsibilities](#) some people have.”

“As you stand here, in the front, look at how the organization gets wider in the middle, Levels 5 and 6, then gets narrower, with the last tier shrinking to a small cluster of seats in the distance. You’ll see a [great diamond](#) take shape between the first and last levels.

“You can easily pick out the high-intensity color of leaders of large organizations, with chains of solid and dotted red ribbons streaming out. Some of these [size ‘hubs’](#) are in the front as expected but a surprising number are several levels deeper in the larger functions. Notice also the seats with many direct connections, positions with a [large circle of links](#) just ‘one-degree of separation’ away with arrows pointing in both directions. See how these ‘networker’ positions seem to bind the whole organization together, each working link indicating a [personal relationship](#). Even the one-link hierarchy has very [high-span](#) managers. Finally, look at the ‘super-hubs’ who manage very large organizations and have high degrees of connections. These [‘hotspot’ positions](#) are scattered throughout our organization, and the people in these critical jobs are most at risk for overload and burn-out.”



The lights dim, the signal for dinner. People go to their tables, turn to their companions, and talk. As the stadium darkens, its seats, organizations, and connections remain shrouded in the darkness but ready for occupancy again the next day.

### Three Steps to the Stadium Chart

A map of the whole organization allows people to make decisions and choose to act within a shared context. While useful for everyone, the “view of the whole” is mandatory for those with executive roles—positions that lead leaders, as identified by the real organizational structure. Executives, on the order of only 5% of positions, tie the senior-level strategy to the 95%, the tactical teams of line leaders and staff that execute it. The strategic executive conversation is most in need of an objective common map of the current networked organization.

An organization already has [much of the data needed](#) to construct its own “virtual stadium” model in three steps. Each step brings rewards in improved understanding, design, and decisions.

#### Step 1: Map the Hierarchy

First, map the basic reporting hierarchy as a network, the whole enterprise as a single org chart. This is very easy to do. The basic data of employee positions and whom they report to is usually housed in several [enterprise information systems](#). Because of its critical role in operations, this baseline organizational data will be highly accurate, relating as it does to paychecks and performance reviews.

The hierarchy map provides the “ground truth” of the organization’s terrain. All the jobs sit in a topology of levels, defining the boundary of the organization. This map shifts and changes with each refresh of the baseline data. The second and third steps rest on this foundation. As one layers additional information onto the [physical-surface terrain maps](#) in applications like Google Earth, so does one add additional [layers of organization information](#), adding greater detail to the picture with each layer.

#### Step 2: Map the Contractors

There is a great workplace shift underway that is reducing the number of employees and increasing the number of contractors. Jobs once held only by employees now belong

to contractors. Despite their necessary contributions in all functions at all levels, contractors are rarely already in the data system that holds the org chart of employees.

There's a way to include many, if not most, of the key contractors. While enterprise financial systems typically bury contractor "heads" within total contract fees, IT systems give essential contractors access to the computer network as registered users. Since someone has to authorize their accounts, there is often a pointer to a position authorizing their access or to the organization where the contractor works.

### **Step 3: Map the Relationships**

Positions connect to other positions through multiple established relationships—direct reporting, matrix, team, and workflow links. The gold standard, so to speak, is the one that generates the paycheck: the direct, solid-line, singular reporting relationship, found in most enterprise data systems. This exclusive link is already in place for each position after completing Steps 1 (relatively easy) and 2 (comparatively more difficult).

The next most formally (and frequently) recognized link is the matrix relationship, the dotted-line report. Matrix reports are sometimes shown on individual org charts but rarely are captured in any data system. However, because matrix reports in most organizations tend to be relatively few in number, they are not that difficult to collect.

With direct and matrix reporting relationships mapped, there is already a large network of management teams identified, one for each manager. Augmenting that formal management network are all the other teams where work gets done. While, to our knowledge, no system deliberately collects this team membership information, IT has much of it housed in permission lists, access to shared files, team room memberships, and the like, often with a cost center associated with the team leader. This data stream of group connections can go a long way towards mapping the key teams.

Finally, to complete the picture of the organization's built-in complexity, you can map the horizontal workflows, the links that show how work progresses on multiple levels to generate the enterprise's output, its means of survival. These critical links between sub-organizations and teams are few in number and not likely to change often. With a bit of skill and local knowledge, it's possible to make explicit the system flows already implied in the vocabulary of the org chart.

As the new map takes shape, populated by various data sources, it immediately starts conversations and yields value. As people talk about the map, they are motivated to get the relationships right. Indeed, as people track their own positions, they naturally validate their links. Essentially, people at the ends of each link agree that the relationship is a real one, a property of their positions rather than just their personal inclinations.

## **How Hierarchy Mapping Influenced One Organization**

Each step brings its own rewards in learning and application, and builds on the step before. Getting started is particularly easy and rewarding. Here's what one organization of five-thousand people, working across eight countries, discovered when it mapped its formal hierarchy, Step 1.

- *Shorter communication paths.* By identifying managers at all levels, the CEO was able to reach the entire organization quickly. This two-link communication strategy proved much faster than the typical cascade from level to level, which took as many as eight links, a lot of time, and, not infrequently, resulted in garbled messages.
- *Highly-connected managers.* By knowing the span of each manager, they identified a much smaller group who, in essence, spoke to much of the organization on a regular basis. These people became channels for targeted internal communications.
- *Managers with the largest organizations.* Buried deep in the hierarchy, more than three links from the top, these people were not part of existing leadership development programs. Once identified, this omission was rectified.
- *Managers missing from leadership forums.* Again, because of their placement deep in the organization, people with unusually large leadership responsibilities were not immediately visible and thus not included in extended leadership groups. Likewise, once recognized, they were included.
- *The truly virtual teams.* By comparing locations of members, they could distinguish management teams who really needed support in distributed operations from those who worked principally face-to-face.
- *The people at risk.* By comparing measures of organization size, span, and physical distribution, they were able to spotlight positions where people's loads were unusually great. Responsibilities were reconsidered and reassigned as necessary.

So there's more to even the simple org chart than meets the typically myopic eye. Think about this the next time you pull out your org chart or see a piece of it displayed in your online directory.

In an open, transparent, organization, the act of mapping relationships itself stimulates productive and informed *self*-organization. As people make their local shared work more visible, they begin new conversations about how to do things better within the frame of a shared mental model of the whole. Self-organization is how large networks naturally generate and manage the "requisite variety" needed to survive and thrive in an environment of rapidly increasing complexity.

– Jeffrey Stamps, PhD, and Jessica Lipnack, CEO, are co-founders of NetAge, [www.netage.com](http://www.netage.com), and co-authors of six books over 25 years, including *Virtual Teams*, *The Age of the Network*, *The Teamnet Factor*, and *Networking*.