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## **Managing in the 21st century – the rise of Fractal Process Management (FPM)**

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**ABSTRACT**

The paper provides definition of management and discusses a new model of management known as ‘Fractal Process Management (FPM)’ which has been developed out of the author’s researches into the strategic management of internationalization. The paper describes FPM and how it can be applied within any organisation.

**WHAT IS ‘MANAGEMENT’?**

In an earlier paper (Rudzki, 2005), I have offered a definition of what management is: “*Management is about running things well.*” Such a definition makes distinct the *purpose* of management (*what management is for*) rather seeing management as actions in a role or position (*what managers do*). One benefit of such an approach is to remind those in managerial positions what it is they are actually there for, and if this is not the case, then to ask them to provide their own definition as to their purpose in order to make it explicit to others – especially the staff who work under them.

Such a definition invariably leads to a discussion of what ‘well-run’ means. What ‘well-run’ means varies for the multiplicity of what we now call ‘stakeholders’ (Freeman, 1984, 1994) with an interest in what an organisation, does such as the WTO, government, local council, NGO, shareholders, trade unions, employees, customers or local residents.

For example, ‘well-run’ for a shareholder (high returns) is very different to what ‘well-run’ means for a customer (lowest price and best value), a client (‘hassle-free’), or a hospital patient (‘experienced staff who know what they are doing’).

The role of management therefore becomes a complex one concerned with deciding which stakeholders should have their needs met (see for example, Donaldson & Preston, 1995). In recent years, this has become even more interesting with the rise of ‘The New Managerialism’ where the self-interest of the managers themselves can override all other considerations at the expense of all other stakeholders as seen, for example, in the collapse of Enron (Cruver’s 2002 book *The Anatomy of Greed*) or certainly in the activities of the British Civil Service as parodied in the television series ‘*Yes Minister*’ (and subsequently in ‘*Yes Prime Minister*’) (BBC, 2003a, 2003b).

In such circumstances, it is as well to remember the lowly employee who is on the receiving end of ‘management’ and who can be trusted to identify the answers to the simple question of: “*if the organisation I work for was well-run, what would need to change?*”

The converse of this is to ask: “*In what ways is the organisation I work for, badly-run?*”

Such a series of insights might well include those given in the following table as presented in an earlier work (Rudzki, 2005).

*Table 1: Characteristics of well-run and badly-run organizations*

<b>Well-run</b>	<b>Badly-run</b>
Positive attitude (flexible rules)	Negative attitude (‘jobsworth’ and rules)
Supports initiative and innovation	System- or rules-bound. Discourages initiative and stifles innovation.
Run on a human rationale (e.g. service)	Run on inhuman rationale (e.g. profit)
Meets the needs of all participants	Meets the needs of some (or none) of the participants
Strategy determined by all	Strategy determined by cabal
Governed by common interests	Governed by self-or limited-interests
Concerned with distributing power (empowerment or subsidiarity))	Concerned with concentrating power (disempowerment)
Democracy (rule from below)	Autocracy or dictatorship (rule from above) or absence of rule
Decision-making by competence	Decision-making by incompetence
Each level of complexity contains the needs of all the previous levels	Each level of complexity contain little or none of the needs of the previous level
Bottom-up approach	Top-down approach
Mass of the stakeholders	Power elite
Makes work look easy	Makes work look difficult
Staff stay	Staff leave (high staff turnover)
Uses plain English	Uses jargon or corrupted forms of English (such as euphemisms)
No complaints	Lots of complaints
The customer is King	The customer is serf
Personal responsibility	Blame
Experience (the wisdom of years)	Inexperience (the folly of youth)
High pay	Low pay
Improving conditions of work	Deteriorating conditions of work
Job well done	Job done badly or not at all
Reasons why you can do things	Reasons why you cannot do things
Generates solutions	Generates problems
The individual is the subject of work	The individual is the object of work
Happy, motivated participants	Miserable, demotivated participants
Contentment with self and others	Discontentment with self and others
Satisfaction with product/service	Dissatisfaction with product/service

Find ways of achieving that which they say could not be done	Find ways (excuses) of not achieving that which they said could be done
Whole is greater than the sum of the parts (synergies and value-added)	Whole is less than the sum of the parts (shortfalls, deficits, loss of value)
Reconciliation	Conflict
Beauty of idea, design, approach	Ugliness of thought, design, method
Honest	Dishonest
Happiness	Misery
Health	Ill-health
Good	Evil

This is the first lesson concerning managing in the 21<sup>st</sup> century: ask your customers and staff what ‘well-run’ means to them, and build your strategy upon their responses.

### **THE WRITING OF STRATEGY**

The older I get, and the more strategies I develop - both for my own organisations and those of others - the more convinced I become that strategy should be written not on the basis of the Critical Success Factors for the organisation, but by customers in terms of their needs and their Critical Failure Factors, for example, what I need from a hotel room (I suspect like many other people) is for it to be clean, quiet and comfortable.

The Critical Failure Factors would therefore be a dirty, noisy room with a lumpy bed and yet how many hotels and hotel chains insist on placing business travellers next door (or above or below) a celebrating sports team or teenage field trip? Even worse, is that cheap beds are purchased so that funds can be spent on buying the ubiquitous mini-bar fridge with its noisy and unwelcome appearance.

Clearly, what the hotel thinks of as being ‘well-managed’ (maximum occupancy and additional spend from a mini-bar) is very different to what I require (a good night’s sleep). Are these two expectations irreconcilable? Well no, a hotel that was driven by customer strategy would place noisy customers as far away as possible from light sleepers, and maybe even provide different types of bed depending on the customer’s needs. This has already happened with non-smoking rooms as compared to the old practice of placing non-smoking customers in the bedroom equivalent of an old-ash tray. All that is required is a change of perspective in terms of whose needs come first – that of the organisation or those of the customer.

### **MEETING STAFF NEEDS AND THE CHANGING NATURE OF WORK**

Having addressed how customer needs can be addressed (by listening to what customers say and responding to their needs), I will now turn to examine the question of individual employee needs in more detail.

We forget that work – for those who have to do it – is a means of meeting their needs. Some people have enormous (and in some cases overwhelming) needs, for example, “*American girls want everything in the world you can possibly imagine*” (Jagger & Richards, 1974), while others are more modest in their requirements. This is not simply about having expensive tastes or living frugally, but about the demands placed upon individuals at different times of their working lives, for example the needs of

staff with a mortgage, children and elderly relatives in ill-health are very different from a single person who has inherited a property and is in excellent health.

The development of what constitutes 'work' in the sense of ensuring survival has changed over time through the stages of social evolution. It is also interesting to speculate on the nature of the management style that was most effective at each stage:

The hunter-gatherers, tracked animals on land and/or sea, as well as sought out naturally-occurring fruits or vegetables. The amount of work varied depending on the availability of food supplies from a few moments to catch a fish to endless work as food could not be found and the search had to continue. Good management lay in the ability to find food sources (locate resources?) and to work together (teams?) in order to maximise the yield for the benefit of all (profit-sharing?). The highest status was afforded to the trackers and hunters (deal-makers?).

During the agricultural period, the hunter-gatherers settled into permanent communities having realized that the haphazard nature of their previous existence could be made far easier by the domestication of animals (chickens, pigs, cows etc) and the cyclical planting of crops. Good management lay in being able to plan the regular processes of farming and to conserve resources from one year to the harvest in the following year. Forward planning and resource rationing became critical to survival as did the development of agricultural skills.

The hard manual work of farming (caused by the lack of automation) saw many move to the 'promised land' of work in the cities, whether it be in the extractive industries of coal-mining or the manufacturing of cotton mills or factories. Good management became concerned with the maximisation of productivity (a mind-set which still bedevils us today!) and the supremacy of the object (goods produced) over the subject (the person doing the producing). The exploitation of the worker and the appalling conditions under which they worked, was a source for social commentary as with Charles Dickens' novel 'Oliver Twist' (1837) which attacked the role of the Poor Law Amendment Act in placing the poor and destitute in work houses. This process of industrialization was also ripe for politicisation with a call for political change with Karl Marx's 'Communist Manifesto' of 1848 and its call for "workers of the world unite!" It can be argued that Marx was simply moving capitalism into its more advanced form with the advocacy of the sort of centralization and monopoly power enjoyed by corporations today but at the time the revolutionary cry was welcomed by many as a way out of their misery.

This dehumanization of people can be traced to the language used: 'slaves' became 'serfs' then 'workers' or 'labourers', which in turn became 'staff' or 'employees'. We have failed to move beyond this because 'staff' are seen - in accounting and financial terms - as an 'expenditure' rather than as an asset for an organisation. This process of transforming 'labour' into 'human resources', means that such 'resources' become statistics, and statistics become dispensable. This disposability allows managers to make decisions without thought to the human consequences, because all trace of humanity has been removed from the 'numbers' since numbers self-evidently are not human. As the Soviet leader Stalin said "The death of one person is a tragedy, the death of a million person is a statistic." The logical conclusion of such a way of thinking is that people are identified by numbers – either by numbers tattooed on their

bodies (arms in the case of the Nazi concentration camps) or by having barcodes or chips implanted so that they are ‘much easier to deal with’ by those in positions of power. Such reduction of human beings to numbers is already accepted for tax, medical or other record purposes and provides justification through precedent for further such acts.

In contrast, is the idea expounded in the Papal Encyclical (John Paul II, 1981) ‘*Laborem Exercens*’ (On Human Work)’ that staff are not resources (objects) but persons (subjects) who have the right to be treated in modern ways (e.g. as knowledge creators and carriers) and not simply as the ‘labour’ of an industrial age where all that was required was their physical muscle power until such time as it was replaced by machine. John Paul II was well aware from his own personal experiences of how inhuman treatment by both the Left and Right can be psychologically justified through the pseudo-claims of others that there exist ‘sub-human’ races such as the Nazi definition of “Jews, Gypsies and Slaves” as such.

This change from the medieval to the industrial view of work in the world was captured by the great Victorian social reformer John Ruskin in his 1853 text *The Stones of Venice*:

*“...go forth again to gaze upon the old cathedral front, where you have smiled so often at the fantastic ignorance of the old sculptors: examine once more those ugly goblins, and formless monsters, and stern statues, anatomiless and rigid; but do not mock at them, for they are signs of the life and liberty of every workman who struck the stone; a freedom of thought, and rank in scale of being, such as no laws, no charters, no charities can secure, but which it must be the first aim of Europe at this day to regain for her children. Let me not be thought to speak wildly or extravagantly. It is verily this degradation of the operative into a machine, which, more than any other evil of the time, is leading the mass of the nations everywhere into vain, incoherent, destructive struggling for a freedom of which they cannot explain the nature to themselves.”* (p.16) (Ruskin, 2004).

The shift from the industrial age to the post-industrial and the rise of service industries such as in local and central government, banking, education and healthcare, has seen a move away from shift work (as required to maximise industrial production 24/7) to fixed hours during the day, the exception being hospitals. Good management in such circumstances is concerned with what Max Weber termed as ‘bureaucracy’. The current negative connotations of the word, should not blind us to the fact that an impartial and efficient way of getting ‘work’ done was a major advance on previous methods of corruption, and lack of consistency in decision-making. In recent years, the application of what is known as ‘New Public Management’ has seen the introduction of corporate management models into the public sector.

The present trend towards a knowledge society, has seen the rise of remote workers, frequently working from home and able to determine how and when they work. This rise in self-employed designers, software engineers, and various other occupations, has led to a form of management that needs to ensure that work is delivered on-time, within budget and to the quality required while trusting the professionalism of those who have been charged with its undertaking. These ‘workers’ have become self-employed artisans or entrepreneurs, competing for work in an ‘out-sourced’ world.

After the knowledge society comes what? My own wish is a move to a domist society, which is a new form of political economy described elsewhere (Rudzki, 2007). Such a radical idea will no doubt raise the issue of protections of self-interest which have occurred throughout history whether it be of the ancient Emperor or the modern corporation.

It is remarkable how even today, this overhang in the management thinking drawn from the earliest stages of industrialization can still be heard emanating from various governments or employer organisations with calls for ‘increases in productivity’ (work harder) as the road to economic salvation as if human beings were machines who could be ‘turned up’. The simplest way to increase productivity has always been to get a machine to do the job previously done by human labour, whether this was for example, in the invention of the plough, tractor, combine harvester or robotic agricultural machinery.

### **MANAGING IN THE 21<sup>st</sup> CENTURY**

It is interesting to ask the question: ‘What is wrong with modern management?’ (This should be tempered with: ‘What is right about modern management?’) My own view is that too many managers exhibit a triumph of ambition over ability. They want the power for reasons of their own inadequacies (such as the need to dominate others or prestige) but do not know what to do with it when they get it, as their progress has been based on avoiding doing the actual work required of them (and therefore learning how to do the job that constitutes the basis of the organisation, whether it is being a good doctor or a good foundry hand). Too many managers have simply never got their hands dirty – either literally or metaphorically.

Soccer and sports provide a useful example here, for a good football player does not necessarily make a good football manager. This ‘player-manager’ holds true for other occupations: a good teacher does not make a good Headmaster or Headmistress; a good carpenter does not make a good building supervisor; neither does a good surgeon make a good Chief Executive of a hospital. The reason for this is very simple: the *skills* required to be a good footballer (such as speed, stamina and accuracy) are very different from those of a football manager (such as motivation, developing talent and strength under pressure).

Similarly, the skills of a professional within their area of expertise are very different to those of a manager in that area. The French understood these centuries ago with the creation of institutions responsible for the training of managers as leaders and the rise of what is now called ‘managerialism’ (Enteman, 1993).

### **FUTURE TRENDS**

We have inherited the past. History sits on our shoulder and guides our hands and thoughts. It should come as no surprise then that what we do now is largely defined by what has been done before, hence the need to think about such matters as:

- (1) What ‘work’ is and how it has changed throughout human history.
- (2) What the defining characteristics of the 21<sup>st</sup> century are.
- (3) The actual and desirable characteristics of knowledge workers as skilled professionals.
- (4) The impact of globalisation and the ensuing ‘turbocapitalism’ (Luttwak, 1998).
- (5) The rise of the corporation (Korten, 2000, 2001).

- (6) International labour mobility leading to brain drain and brain gain.
- (7) The movement of manufacturing to low-wage economies who are simply repeating the errors of Western industrialisation from three centuries ago.
- (8) The ethical issues involved in supporting regimes such as China with their support of Burma/Myanmar and their continued occupation of Tibet, as compared to apartheid in South Africa or the US embargo on Cuba.
- (9) The major issues of our age, whether it be Genetic Modification of Organisms, Global Warming, the increase in global poverty or the failure of present economic and political systems of both Left and Right to bring permanent increases in the human condition.

All these issues need to inform our thinking if we are not to fall into the trap of providing partial answers to incomplete questions.

What have we learnt from the past? Hopefully that decisions about the purpose of management (e.g. to increase production), who holds power in an organisation and why (the owner or their agent), and the problems of outmoded ways of thinking about management, have all contributed to a better understanding of where management needs to go in the future.

### **HOW DOES MODERN MANAGAMENT PREVENT PROGRESS?**

The life cycle of organisations from birth through growth to maturity and then decline is well known. Clearly, each stage of the cycle requires different types of managers from the visionary or entrepreneur at birth, through the juggler of income and expenditure during growth, to the ‘safe pair of hands’ at maturity and the anally-retentive at decline.

How many organisations in decline, whether they be businesses or government departments are managed by individuals who are more concerned with generating policies to deal with every possible circumstance (rather than dealing with the persons causing the problems), and the unthinking adherence to procedures even when such application causes suffering, time-wasting or increased expenditure? In such places it is clear that the managers have ‘lost the plot’ and forgotten about what the primary purpose of the organisation is – a purpose which is only too clear at birth.

### **THE PLACE OF THE WORKER IN THE PRESENT WORKPLACE**

People at work today have much higher expectations of what their employment can and should do for them. Talk of ‘work-life’ balance reflects this and is a reaction to how modern working methods seek to maximise productivity at the expense of the worker – an employee is merely a resource to be worked in the same way as a computer, photocopier or company car.

In such circumstances, it is essential to clarify what such expectations might be an to ask what a person might want from their work or employment in terms of: the pay; the nature and scope of the work itself; colleagues; the physical space or office environment in which they work (e.g. open plan or own office); the tools they have to work with; the hours and days of work; the number of holidays; pension; professional support; opportunities for training and education; car parking and a variety of other terms and conditions of service.

What such a list of answers might reveal is what constitutes the ‘perfect job’ (for each person) such that the perfect person in the perfect job is unlikely to leave and therefore adds enormous benefits and is a great asset to the organisation. Ensuring that such staff stay is therefore the primary function of the owners or Board.

Such career management is a well-trodden path through such texts as Bolles’ (2008) *‘What colour is your parachute?’* and allows an individual to identify what it is that they want from their job and how their job fits in with their life.

This process of clarification of expectations also allows individuals to ask employers ‘What do you have that I could possibly want?’ This is not an entirely private matter as it is my contention *that the most successful managers and organisations of the 21<sup>st</sup> century will be those who are able to align the disparate needs of their customers and staff with the needs of the organisation.*

One way in which this success can be achieved is through what I have called ‘Fractal Process Management (FPM).’

### **FRACTAL PROCESS MANAGEMENT**

A ‘fractal’ is a form of organization occurring in nature which replicates itself at each level of complexity, the most obvious example is a fern leaf where each individual leaf is the same as the whole frond. When applied to organizations, this characteristic ensures that at each level, the needs of the lowest level are repeated (contained) in the purpose of the organization (rather like a Russian *Matryoshka* (Grandmother) doll where the smallest doll sits inside a slightly larger doll, which in turn sits inside a slightly larger doll and so on through numerous levels which far exceed the number of levels found within even the largest multinational corporation.).

Fractals are interesting for a variety of reasons, not least because they allowed mathematicians to devise the ‘mathematics of nature’ in that they explain in mathematical terms the way in which nature expresses itself. I heartily recommend the pictorial introduction to fractal geometry to be found in the work of (Lesmoir-Gordon, Rood, & Edney, 2000).

This form of mathematics had been sought after as far back at least as the Ancient Greeks with their search for the ‘music of the spheres’, the Golden Mean (the aesthetics of perfection) and the search for the ideal Platonic forms as abstractions of the actual (‘real’) forms around us.

The explanatory power of the fractal provides evidence for the existence if not of natural laws, then at least some common pattern or limiting formula.

The Fractal Process Model has been so called because a *fractal process* is one in which increasing levels of complexity are identical to the first level. The beauty of fractal processes within the human context is that they allow each level of complexity to be understood by the previous level, and to allow integration of levels vertically without difficulty since the *constituent* or *fundamental* components are identical in structure (but not in size). The subsequent *spectrum* of levels has an elegance and simplicity which makes it ideal for use in complex organizations.

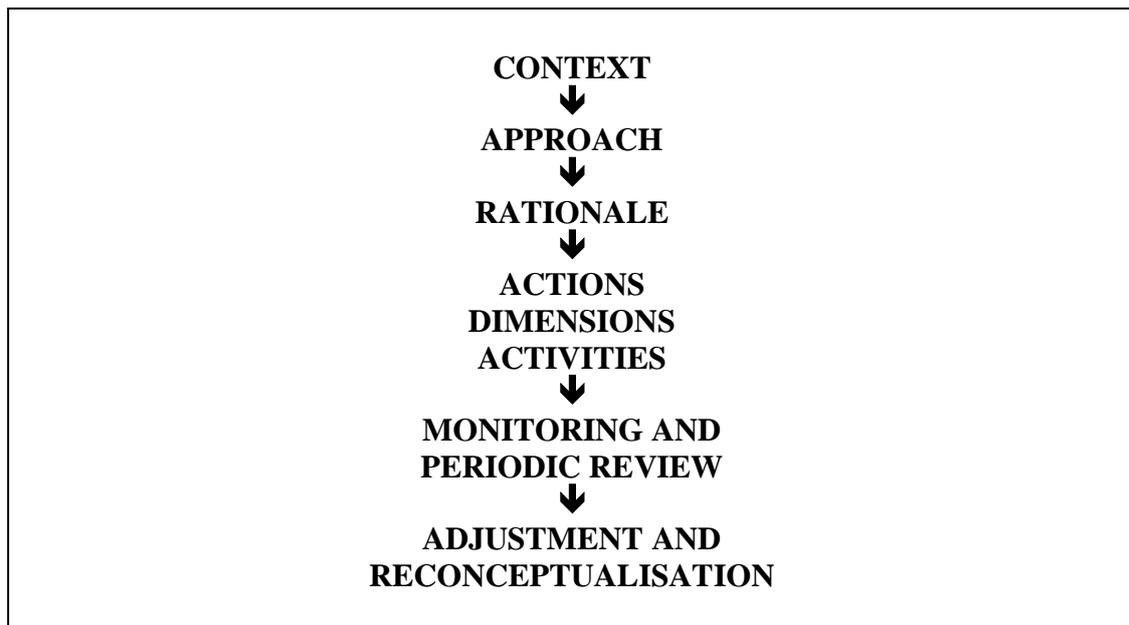
When applied to the needs of the individual, this means that a fractal process can integrate all the needs with those of the organisation and thereby inform strategy.

Fractal Process Management was originally developed using grounded theory (Glaser & Strauss, 1967) in examining processes of internationalization (Rudzki, 1995). The description of such processes led to a creative leap from describing *what was* to describing *what could be*. This generated a new model with applicability across disciplines (not only in management) as its central concepts are of value in attempts to understand the problems confronted in the daily practice of many activities.

The six-stage Fractal Process Model (FPM) (Rudzki, 1995, 2000) allows individuals to follow the correct logical sequence of actions and issues which need to be addressed, if the question of ‘how to run things well’ is to be resolved and the desired outcomes achieved. The model should therefore be used as the expression of a new way of thinking both about the future and the previously-held beliefs which invariably largely determine and limit our direction.

The model challenges existing forms of management in many ways, for example by calling for a more ‘natural’ form of organizational structure (rather than that imposed from above) in the sense of embedding the needs of all the human players within the organisational structure from the lowliest cleaner right through to the CEO and other stakeholders.

**Figure 1: The Fractal Process Model**



(Source: Rudzki, 2000)

### **Stage 1 - CONTEXT**

The first stage asks the questions ‘What is going on? Where are we? What are we doing now? What is the purpose of our organisation?’

In attempting to understand the purpose of an organisation, it is useful to understand the *context* within which it is located, that is to say, the limitations, constraints and variables as well as the possibilities that may exist for resolution or the factors that will define success. For example, the historical antecedents of the present - whether it be individual or group history and culture.

This is easier said than done, as much of this is located in the hidden quadrant of the Johari Window (Luft & Ingham, 1984), where we do not know what we do not know, that is where we do not have knowledge and must proceed not only with what has been called the ‘precautionary principle’ but with humility as well. Originally developed as a tool to understand the self in group dynamics, the Johari Window (named after its creators Joseph Luft and Harrington Ingham), is a four square matrix which reveals four selves: the open, hidden, blind and unknown.

When applied to the nature of knowledge, it can be interpreted as containing the following four cells:

*Table 2: the Johari Window*

	... what I know	... what I don't know ...
I know ...	<i>Open</i>	<i>blind</i>
I don't know ...	<i>hidden</i>	<i>unknown</i>

Source: (Luft & Ingham, 1984)

This is useful in that it advances our knowledge about what can be known within the context, as well as flagging areas which we need to consider such as the limits of our knowledge (open, blind, hidden) and to return to the unknown in the final stage of the Fractal Process Model where reconceptualisation takes place.

### ***Stage 2 - APPROACH***

The second stage asks ‘What do we need to do to achieve our purpose?’

Where the *context* above can be understood as the *given*, the *approach* to managing things well, (which will be partially defined by the *context* above) can be understood as the *realm of possibility* which is not given but which is a matter of free choice (albeit within some constraints). It is at this point that the various needs of staff come to centre stage, with the approach being largely defined by such needs.

A management system that, for example, operates by shouting and bullying is hardly conducive to creating an atmosphere of mutual respect and personal development. Similarly, the desire of nurses to work flexible hours can be met through a different kind of approach than the use of 8 hour shifts or permutations of fixed times on a rota basis.

The *approach* can be understood to fall on a continuum which ranges from - at one extreme - overt deliberate action (*proactive*) through passive (*reactive*), to covert or inaction (*inactive*) to deliberate non-engagement (*resistance*). For example, within such a spectrum, the Fractal Process Model is located at the proactive end, whereas an

autocratic manager or management system such as dictatorship can be understood as deliberately resisting the needs of the participants.

### ***Stage 3 - RATIONALE***

The third stage asks the question ‘Why are you doing this?’

In many organisations - especially in their mature stage – policies, procedures and practices are adhered to long after their usefulness (if any) has been exhausted. Similarly, new approaches are ignored because they do not ‘fit’ in with the old ways, for example, the refusal of the Inland Revenue to simplify procedures or provide computer-based software for calculating tax liability.

In the case of the use of the Fractal Process Model itself, the rationale is ‘To run things well (while taking into consideration human needs, human rights and democratic forms of workplace governance).’

For other schools of management the rationale may be ‘increased efficiency’ or ‘cost reduction’ (rarely ‘to provide a better service’).

At the individual level, rationales might include ‘to earn money, to have an easier life or to be happier in my work.’

### ***Stage 4 - ACTIONS/DIMENSIONS/ACTIVITIES***

The fourth stage asks ‘What do we need to do to implement the process?’

The various actions that form the process of managing well need to be elaborated. I tentatively suggest the following by way of commencing the discourse:

1. identifying the needs (purpose) of the organisation.
2. identifying individual needs.
3. creating dialogue in order to integrate individual needs into organisational needs.
4. gaining agreement between all parties.
5. ensuring that all needs are met (as opposed to a utilitarian principle based on the greatest good for the greatest number which may both constrain individual potential and sacrifice the minority)

### ***Stage 5 - MONITORING AND PERIODIC REVIEW***

The fifth stage asks the question ‘What has gone well during implementation and what has gone badly (and why)?’

Monitoring and periodic review of the activities are essential to ensure that there is still a consistency between what the application of the model and what has been learnt from the previous stages within the model, namely the *context*, the *approach*, the *rationale*, and the *activities*.

The review stage therefore allows an evaluation to take place in order to gauge both the success and the failings of the management process, and can be also understood in terms of the continuous improvement model of quality, where opportunities for improvement are identified and appropriate innovations undertaken.

### ***Stage 6 - ADJUSTMENT AND RECONCEPTUALISATION***

The sixth stage asks the question ‘What have we learnt from this? How has our understanding changed?’

The whole point of the review stage is to allow changes to be made, including the increase or reduction of activities as is required.

In this way, a cycle of adaptation to both the internal and external environments takes place, in order to ensure the survival of the process and its sustainability. These changes, as adjustments lead eventually to a reconceptualisation of the entire process of management including the needs of the various participants. For example, patients within a hospital may need to carry on their job from their hospital bed or may require total isolation in the case of infectious diseases. Similarly, medical specialists may be able to work at different hours to the norm.

### **APPLYING THE FRACTAL PROCESS MODEL**

To apply such a model to the hospital example used previously, Stage One (Context) would entail the clarification of what each of the ‘stakeholders’ needs or wants (and does not need or does not want) from the hospital. For example, patients want to be treated with dignity (not as ‘the liver in bed 23’) and do not want to wait whereas nurses may need flexible working hours and specialists the right to attend international conferences in their discipline. By clarifying what all the players want, it is then possible to have a shared view, if not a ‘common-sense’ view then at least a commonly-held view upon which to build a common understanding of each other’s needs and *mutual respect for these needs* in a way that moves away from the confrontational ‘us-and-them’ approaches of hierarchy-ridden managers. This is the first stage of constructive dialogue without which management is left to promote its own agenda to the detriment of the staff and the organisation itself.

Such an approach (Stage Two) however places managers in an uncomfortable position having to give up decision-making power as to what people want. The exercise is not just a simple customer or staff survey, it goes beyond this to being the foundation from which all else is built and whose elements can be found in the ever-increasing levels of complexity within the organization (hence the fractal nature). It is as if the organization were to discover its own periodic table of the essential elements upon which it is to build its own universe for the purposes of questioning its purpose and rationale (Stage Three), in other words its entire being and purpose (‘What am I here for?’ as a search for meaning).

Stage Four (Actions) moves the participants into identifying those aspects which need to be addressed, for example, reducing waiting time for patients, increasing sleep for Junior Doctors, or specialist skills of surgeons.

Stage Five (Monitoring and Review) provides the feedback necessary to improve performance by listing the measures identified at Stage Three. For example, if management is about running things well, then a measure of that would be the number of complaints. Clearly it is possible to reduce this to zero by making it difficult or impossible for people to complain by, for example, queuing for several hours to buy a form which has to be signed by a Justice of the Peace before being returned and which also renders the complainant to legal liability.

The final stage - Stage Six (Adjustment and Reconceptualisation) allows the process to enter a virtuous upward spiral of development by transcending each previous stage of its evolution, in other words, by redefining (recreating) itself.

## CONCLUSION

In calling for the Fractal Process Model, I do it with the realisation that you can make a bad system work with good people but you cannot make a good system work with bad people. This is why it is people and not the system that are paramount.

The more complex a process, the more chances there are to get something wrong – so keep it as simple and clear as possible! There is beauty in simplicity – an elegance which is the mark of good design whether it be in an object such as a lamp or in a process.

This paradigm shift calls for an understanding of management as not being concerned with *actions* but with *purpose*, not with *means* but with *ends* and the reconceptualisation of what ‘management’ is and how it should be undertaken.

It is my wish that generations as yet unborn will see that there are alternatives and possibilities which are based on new ways of seeing and understanding the world. I hope that my own work will serve as a single stepping stone across the waters of time to a future where work can be abolished and replaced with something better, something that no longer dehumanises and destroys individuals, societies, civilizations or even whole species.

I believe that human beings as a distinct life-form have many defining characteristics from the use of the intellect to make tools, to the creativity that flowers in the great works of art, music, architecture and social systems, to the compassion and ability to transcend the limitations of the present.

My final word is the Fifth Principle of Domism (Rudzki, 2007) as I believe it alone is capable of moving us both as individuals and as a life-form to a better way of living: *“Be not afraid of beauty”*.

### Author’s biography

Dr Romuald E. J. Rudzki PhD CMCIPD MAIB MANZIBA MNZAFSA  
Director – New Zealand School of Export

Business entrepreneur, academic, artist, thinker, writer and philanthropist - Dr Rudzki is all of these things and more. He has established five successful businesses from start-up to multi-million dollar success, including an international joint venture. In 1996 he won the *Financial Times*’ international David Thomas Award for his work on education for entrepreneurship. He is currently a member of the Editorial Board for the journal ‘Philosophy of Management’ which is at the cutting-edge of new thinking on how to run organizations. His staff describe him as *“an eclectic mix of all sorts of weird things. He is like a gardener, seeing people’s potential, giving them support when they need it and then letting them blossom. Rom is insatiable: always wanting something better. Work is never boring!”*

He is currently working on a new political economy known as ‘domism’ and is co-founder of the New Zealand School of Export, a Charitable Trust dedicated to preserving values of education as the pursuit of virtue, scholarship and collegiality. He especially welcomes contact with philanthropists and funders interested in supporting the work of the School.

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