

## **Theory E<sup>2</sup>: Working with Entrepreneurs in Closely-Held Enterprises**

### **VIII. The Participating Entrepreneur**

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The fourth entrepreneurial style has recently been given considerable attention. The participating decision-making entrepreneur works with groups of people to engage and enhance all forms of executive functioning that are inherent (and often undiscovered) in these groups. The participating entrepreneur provides the ground for a closely-held enterprise. She anchors the inspiring executive's vision, as well as providing a balance between the decisive actions of an assertive executive and the caution of a thoughtful executive.

Whereas the assertive entrepreneur consumes resources and the thoughtful entrepreneur conserves resources, the participating entrepreneur expands the use of existing resources. While the inspiring entrepreneur tends to recruit resources from outside the closely-held enterprise or grows new resources inside the closely-held enterprise, the participating entrepreneur draws attention to unacknowledged ideas and competencies in the organization. She appreciates that which already exists and encourages use rather than conservation of existing resources.

The participating entrepreneur takes great joy in discovering, uncovering and enhancing the hidden talents of people in an organization. She believes that an organization will find all the resources it needs if it will only make a solid commitment to its employees. As Heifetz suggests, the participating executive goes against the grain:<sup>i</sup>

Rather than fulfilling the expectations for answers, [the participating executive] provides questions; rather than protecting people from outside threat, one lets people feel the threat in order to stimulate adaptation; instead of orienting people to their current roles, [the participating executive] disorients people so that new role relationships develop; rather than quelling conflict, one generates it; instead of maintaining norms, one challenges them.

While the inspiring entrepreneur helps to define the mission for which resources are created and consumed, the participating entrepreneur insures that all members of the closely-held enterprise have a say regarding this mission. She ensures that the personal aspirations of members of the closely-held enterprise are taken into account when this mission is defined. Like the inspiring entrepreneur, the participating entrepreneur strongly emphasizes community and commitment. Like the thoughtful entrepreneur, the participating entrepreneur also strongly emphasizes the importance of information as a vehicle for empowerment.

Like her assertive compatriot, the participating entrepreneur believes that people often feel good about working with one another when they are set free to begin work on an actual project and when they can learn by doing and making mistakes rather than by just planning or dreaming. While the assertive entrepreneur tends to encourage change and the thoughtful entrepreneur tends to slow down change, the participating entrepreneur often guides the change that naturally takes place. Ideally, she works closely with the inspiring entrepreneur by helping people deal with the fear and resistance that inevitably accompany any major change effort.

The assertive entrepreneur will shift either the organization's definition of its current condition or its commitment to a specific desired state – if the gap is too great between the real and ideal. By contrast, the participating entrepreneur will encourage members of the organization to live in the gap, retaining both the realism of the thoughtful entrepreneur and the idealism of the inspiring entrepreneur. Living in the gap means acknowledging the hard work that has yet to

be done in realizing at least part of the dream. The participating entrepreneur is likely to struggle alongside other members of the closely-held enterprise in reducing the size of the gap between where the closely-held enterprise is and where it wants to be.

### **Focus**

The participating entrepreneur is primarily concerned with the active involvement of all members of an organization in its ongoing operations. Specifically, the participating executive seeks to expand and improve communication, both up and down the organization. Her attention next turns to management of the conflict that inevitably arises from a more open flow of communication.

Attention then turns to problem-solving and, in particular, the acquisition of problem-solving skills by members of the closely-held enterprise and to the design of organizational structures that encourage effective problem-solving. Finally, participating entrepreneurs turn to decision-making processes. They seek to expand the capacity and opportunities of all members of the organization to participate in appropriate decision-making processes. The participating entrepreneur is also concerned about full and appropriate use of all resources in the organization. This includes acknowledging the contributions made by assertive, inspiring and thoughtful executives. Not only does the participating entrepreneur encourage executive functioning at all levels of the organization, the participating entrepreneur may herself come from any level of the organization.

As Heifetz suggests, “many people daily go beyond both their job description and the informal expectations they carry within their closely-held enterprise and do what they are not authorized to do. At a minimum, these people exercise executive functioning momentarily by impressing upon a group, sometimes by powerfully articulating an idea that strikes a resonant chord, the need to pay attention to a missing point of view.”<sup>ii</sup> These executives who come from the “foot of the table” rather than the head provide or help to generate new information and provide unique, timely perspectives on the information that is generated.<sup>iii</sup> These executives

from the foot of the table help to articulate key values or (even more often) exhibit and exemplify these key values through the actions they take. Emergent executives, according to Heifetz, articulate new ideas that strike a resonant chord.

Typically, the primary problem confronting the participating entrepreneur is one of managing the complex process of moving back and forth between the real and ideal, between reflection and action, between caution and risk. Participating entrepreneurs are accustomed to addressing the conflicts that are inevitable in keeping an organization attuned to these various tensions. Rather than avoiding conflict by opting for one executive style, the participating entrepreneur believes that conflict is a sign that the organization is trying to balance and integrate these differing perspectives.

The spirit of participating executive functioning is effectively conveyed in the description offered by Wheatley regarding the role of disorder in today's organizations. We create disorder, suggests Wheatley, "when we invite conflicts and contradictions to rise to the surface, when we search them out, highlight them, even allowing them to grow large and worrisome. . . . No longer the caretakers of order, we become the facilitators of disorder. We stir things up and roil the pot, looking always for those disturbances that challenge and disrupt until, finally, things become so jumbled that we reorganize work at a new level of efficacy."<sup>iv</sup>

There are several important lessons for the participating entrepreneur to learn if she intends to roil the pot. First, the disruption must engage many people. The participating executive can not do it alone. If she does, then the disruption is easily dismissed as the product of a troublemaker or crazy person. Second, having increased the challenge for members of the closely-held enterprise, a participating executive must know how to provide sufficient time and support for members of the closely-held enterprise to absorb and respond to this disequilibrium. This is a key role for the effective participating entrepreneur. She must ensure

that there is a balance between the challenge associated with conflict, chaos and the support offered by the group and by the executive herself.

Eisler emphasizes the critical (but often unacknowledged) role played by women in providing a *chalice* or container for a group.<sup>v</sup> In providing the chalice, a participating entrepreneur makes an organization a safe and supportive place in which its members can tolerate the uncertainty and stress associated with conflict and chaos. Heifetz similarly describes the role of executives in providing and managing a *holding environment*.<sup>vi</sup> Physicians often serve this containing function in their relationship with patients. Parents also serve as containers in working with and supporting their children – and participating entrepreneurs create a holding environment when they effectively facilitate the adaptive work of their closely-held enterprise. The participating executive “contains and regulates the stresses that [this adaptive] work generates.”<sup>vii</sup>

### **Appropriate Use of Strengths**

Participating executive functioning is invaluable to closely-held enterprises for two primary reasons: flexibility and connectivity. The participating entrepreneur can be flexible, moving into a variety of different roles and balancing off both the strengths and weaknesses of assertive, thoughtful or inspiring entrepreneurs, particularly if any one of these three approaches becomes too powerful. Typically, the participating entrepreneur moves easily back and forth between a formal executive functioning role and a supportive role as an active member of the work group.

There are rarely major struggles within the group because both the participating executive and her followers view the participating entrepreneur as someone who is special in some circumstances but just like other members of the group in other circumstances. Gibb describes just such a flexible model of executive functioning:<sup>viii</sup>

Followers subordinate themselves not to an individual who is utterly different but to a member of their group who has superiority at this time and who is fundamentally just

as they are. . . . The entrepreneur inevitably embodies many of the qualities of the followers.

The participating entrepreneur is truly a context-oriented entrepreneur who accommodates many different conditions and needs.

Second, the participating entrepreneur connects with other people both inside and outside the enterprise. By encouraging broad-based participation, she fosters relationships and builds networks. Whereas assertive, inspiring and thoughtful executives sometimes are inclined to go it alone, the participating executive works with others and pulls people out of their spaces of isolation into a world of interdependence and connectivity.

### **Inappropriate Uses of Strength**

The strengths of participating entrepreneurs also get them in trouble. This type of executive is sometimes unpredictable. She takes on many different roles and shifts from moment to moment depending on the needs of the organization. These shifts can be perceived as a sign that this person doesn't know what she wants to do. Alternatively, this approach to executive functioning is considered highly expedient. Some members of an organization will conclude that the participating entrepreneur can't be relied on to take a consistent position on any critical issue. These accusations often have little substance. Nevertheless, the apparent inconsistency of participating entrepreneurs sometimes engenders a lack of trust among those with whom they work. If these changes do have substance, it is often because the participating executive is focusing too strongly on the needs and dynamics of the group, while forgetting about the needs of the closely-held enterprise or the enduring vision to which the group should direct its attention.

A second recurring problem concerns the participating entrepreneur's lack of control over the environment in which she works. The holding environment that is so critical to effective group participation can never be guaranteed by the participating entrepreneur. The participating entrepreneur can shape the stimulus but not manage the response. She can spark the debate

and conflict but never fully orchestrate it.<sup>ix</sup> There is also a tendency for participating entrepreneurs to be viewed in quite different ways by various constituencies of the closely-held enterprise, lending even more weight to the problem of trust. Members of the closely-held enterprise who are looking for the thoughtful executive are likely to perceive the participating executive as too idealistic or action-oriented, whereas those who are looking for the inspiring executive will perceive the participating executive as too anchored in the current world or too impulsive. Finally, those members of the closely-held enterprise who are looking for an assertive executive will perceive the participating executive as wishy-washy and indecisive or too idealistic.

The challenge for a participating entrepreneur, therefore, is to educate other members of her enterprise about this unique executive style. More generally, the task of all responsible members of an enterprise is to learn about the role of context in determining appropriate executive styles. All responsible members should learn how to identify the appropriate criteria for determining the executive style that fits best with a particular setting and at a particular place and time. This matching process is never easy and a contextual model of executive functioning offers no simple formula for success. As long as all members of the closely-held enterprise view this matching process as an ongoing learning opportunity, the organization is likely to be well served.

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<sup>i</sup> Heifetz (1994, p. 126)

<sup>ii</sup> Heifetz (1994, p. 185)

<sup>iii</sup> Heifetz, (1994, p. 184)

<sup>iv</sup> Wheatley (1992, p. 116)

<sup>v</sup> Eisler (1987)

<sup>vi</sup> Heifetz (1994, pp. 104-105)

<sup>vii</sup> Heifetz (1994, p. 105)

<sup>viii</sup> As quoted by Heifetz (1994, p. 284)

<sup>ix</sup> Heifetz (1994, p. 207)