Transformation as Revolution: The Creation Story of the DIA Knowledge Laboratory

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Introduction

A revolution in the processes of government affairs began with the Government Performance Results Act (GPRA) of 1993. That revolution aimed to "improve Federal program effectiveness and public accountability by promoting a new focus on results, service quality, and customer satisfaction."[1] Speaking in South Carolina on December 11, 2001 President Bush pushed the revolution into higher gear by demanding a "military transformation" to include "innovative doctrine and high-tech weaponry," including the pursuit of counter-proliferation, biodefense, missile defense, and the rebuilding of the network providing human intelligence.[2] The revolution in military and government affairs is failing. This article proposes ways to help it succeed by describing a successful revolution occurring in the Defense Intelligence Agency (DIA).

Transformation or Revolution?

Business literature is replete with recipes for successfully leading organizational change and "transformation," including advice on overcoming resistance to change. Organizational change and adaptation are essential to a firm's vitality and growth, but rarely in the world of business will a failure to change introduce authentically mortal risks and consequences for the enterprise. Rather, in the worst cases the organization bumbles along, loses talented employees or loses customers or loses market share, aggravates shareholders, and finds its Darwinian niche until a predator consumes it.

Because governments, especially the armed forces of great states, could face mortal risks and consequences if they were insufficiently adaptive to the environment, the premise here is that change or transformation has more gravity for them than in organizations or entities with lesser responsibilities. This leads to the conclusion that the literature focused on leading change and overcoming resistance to change in *businesses* may be less useful to understanding how change occurs or is frustrated in *government* organizations. For changes in government organizations or the military, it may be more fruitful to study revolutions and counter-revolutions.[3] "Fundamental change" movements or "transformation" efforts in government entities confront and try to turn, to reform but not to overturn the Given Order. Transformation in government seeks to create,

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[1] http://www.whitehouse.gov/omb/mgmt-gpra/gplaw2m.html#h2
[2] http://www.whitehouse.gov/news/releases/2001/12/20011211-6.html
[3] I distinguish here between "revolution" and "rebellion" based on their etymology: I describe revolution as a "turning," not a "war against."

nurture, and grow revolutionary behavior that is legitimated and supported by the Given Order. The test bed for this thesis is the DIA.

The linchpins of the Given Order—there are two—are the fundamental durability of bureaucratic processes and the resilience of the bureaucrats that make those processes work. This is where the insights of John Kotter, while likely accurate in understanding the measures of success for implementing organizational change, best apply when there exists the right proportional organizational emphasis between "fighting the war today" and having an integrated approach to "planning for the future."[4] While business transformation has the ability to use incentives and accountability as implementation tools to support the introduction and sustainment of change, the government has much less such capability. Thus, if DIA has made and can make progress changing, then such progress may be transferable to other organizations in the Intelligence Community or in other government agencies.

This is not to say that everything in the DIA was bad when the revolution began. On the contrary, there were and are many efforts within the DIA and other intelligence agencies that are overcoming organizational impediments to being creative and innovative; that are solving new problems in new ways, ways not conceived of or believed possible in the past. These efforts succeed because the leaders of these efforts know how to plant a revolution in the organization's midst and to support and condone the revolutionaries' efforts to bypass or manipulate organizational processes and procedures that exist to maintain these processes and procedures. These people are called "risk takers" because they do, in fact, take risks. But they come from a starting point that is pure goodness; that is, these creators of innovation want to improve defense capabilities to protect our friends, family and nation. Imagine a desire for goodness that is so strong that the Given Order houses, hosts, funds, protects, and supports home-grown revolutionaries and the revolution that seeks to permanently change the host. We think that extrapolating this sense of goodness into a broader scale can be done, and that operating from this perspective requires continued reflection and modification to one's efforts.

<u>Three Ingredients</u>

At the heart of the sanctioned revolution is support of the movement to create and integrate three things: an imperative for change that strikes at the core of the mission; a strategy that aims at identifying and attacking the right problem; and the execution of the strategy that is alive and exciting. Key to execution is flexibility: the ability to conceptualize and re-conceptualize the imperative, the intended problems to be solved, and the ways in which the strategy is executed as both the revolutionaries and the host organization evolve through change. Change that has no strategic value, or attacks the capillaries and not the arteries of an organization's problems, or that has a narrow agenda or restricted portfolio, is playful flirtation with change. Real change takes a sponsored revolution.

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[4] John P. Kotter and Leonard A. Schesinger, "Choosing Strategies for Change," <u>Harvard Business Review</u>, March-April 1979; and John P. Kotter, "Leading Change: Why Transformation Efforts Fail," <u>Harvard Business Review,</u> March-April 1995.

As the revolution unfolds, both the Given Order and the revolutionaries must sustain organizational self-awareness of the value that the old, the present, and the future organization contributes. This sense of mission must link the past and the future with an understanding of the values of the organization and with an understanding of the organization's internal and external influences. That is, the organization—including all its bureaucrats—must truly and passionately believe in the value of its mission, must appreciate its past and present strengths and failings, and must sense how it must change to provide value in the future. Further, this perspective must be present and aligned at the individual, team, and organizational levels.

This is not about a revolution in organizational structure; a new configuration of the deck chairs. In government, the commonly used processes for conceptualizing the power of an organization through its structure, processes and procedures are fundamentally flawed. While this may sound radical, foreign, and impossible to achieve, my view is that organizational power in government needs to be driven by living beings, not just by artifacts of the mind. You are a human being, our most precious and powerful resource. You can drive change. Your views of "policies," or of "hierarchy," or of "management," however, are artifacts of the mind, and may have little value in adapting to and successfully competing with uncertainty. The remainder of the article tells the story of change within DIA. You will begin to see the possibilities.

<div align="center">The DIA Journey Begins</div>

The terrorist attacks of 2001 against the United States truly did serve as a trigger for providing an opportunity to unfreeze DIA thinking. Trigger events should not be undercounted in their importance to change. They rarely come along at the scale we saw post 911. In the past, we could cite the launch of Sputnik, World War II, the Industrial Revolution, and the Agricultural Revolution as key examples of triggers as potent as 911.

While there were others who were thinking about fundamental changes well before then,[5] the 2001 event served as the catalyst to allow new perspectives in intelligence to be considered. What we did at the DIA began in earnest in 2003. This was at a time when many investigations on the failures of intelligence leading up to the 2001 terrorist attacks were taking place within and outside of government. Most of the media focus was on the Central Intelligence Agency (CIA) and the Federal Bureau of Investigation (FBI). The then-Director of DIA, VADM "Jake" Jacoby, knew that DIA was not going to be immune to whatever investigators found at CIA and FBI. That is, whatever analytic deficiencies found at CIA, for example, would likely have some commonality with deficiencies at DIA. As a result, VADM Jacoby created a vision statement that envisioned a DIA that integrated functions to ensure knowledge was discovered and not lost.

Two signal events also occurred in 2004. First, stimulated by the Head Revolutionary, the DIA Chief of Staff Louis Andre, the DIA conducted a thorough "lessons learned" study of DIA's analytic performance leading up to the 2003 Iraq War. Secondly, under Mr. Andre's leadership, the Agency created a Strategic Plan that translated VADM Jacoby's vision into goals and objectives for the future. The first event was a view of the past. The second was a view toward

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[5] Alvin and Heidi Toffler, War and Anti-War: Making Sense of Today's Global Chaos, (1993: Warner Books, New York).

the future. The study of the past indicated fairly severe pathologies in how the DIA conducted analysis. (While the DIA has taken steps towards addressing many of these, so far, most of these baby steps have not been taken in an integrated fashion or with a look to the future.)

As to the future view within the strategic plan, a major breakthrough in thought came at the beginning of drafting the plan. What VADM Jacoby's vision for the organization really meant was that we, as members of the organization, had to behave differently. Integration meant collaboration, and collaboration meant that the DIA organizational structure could not be an impediment. To accomplish what VADM Jacoby wanted meant DIA had to learn to behave differently. During the research into the writing of the strategic plan, we found no sufficiently comprehensive and revolutionary models in other government strategic plans to serve as a guide. The closest was the Government Accountability Office (GAO). VADM Jacoby asked Mr. David Walker, the Comptroller General of the US, to address his senior leadership team on the importance of strategic planning and the methods GAO used to transform itself. The DIA modeled its plan on the GAO plan.

Learning to create a strategic plan forced DIA to confront a larger question: How does an organization learn? DIA started with this question and then modified the question: "How does the DIA learn?" The approach to learning taken was based on three principles; two were based on knowledge management research in the commercial world and the third was based on observations into our organization. First, DIA discovered that any mechanism to facilitate change (the cell of "revolutionaries") must be positioned outside of any of DIA's line organizations or "business units," yet the change mechanisms must have the protection of the very top leadership. Second, DIA saw that the structure of the work of this mechanism should be done through "raids" instead of "battles" or "sieges." The raids took the form of short-term pilot projects. The nature of the work done in these pilots should be focused on stitching or re-stitching the social seams—the glue—that prevented integration. DIA leadership insisted that the pilot work should be where the work actually takes place; at the "practice-level" where the organization meets its mission responsibilities. Finally, and in order to overcome what DIA called the "zero sum game constraint,"[6] the mechanism could not occupy its own separate and identifiable physical space, could not have resources other than one full-time person and minimal funding, and would need to create a network of volunteers—revolutionaries—to spread new values and behaviors discovered through pilot projects. DIA named the new "mechanism" the "Knowledge Laboratory."[7]

The Knowledge Laboratory

DIA leadership levied three initial requirements on the Knowledge Laboratory. First, that the types of pilot projects launched in 2005 (during its first year of operation) had proven successful

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[6] The "zero sum game constraint" says that if a new organizational entity is created, the funds, facilities, and people to staff that new entity will be taken from an existing part of the organization, that without a recognition for the need by line managers, will cause competition between the established units and newly created unit resulting in active countermeasures that dilutes and thwarts the new entity.

[7] Contrast this approach to DOD's creation and staffing of an "Office of Force Transformation."

elsewhere.[8]   Second, that the pilots generally focused on more effective workplace communication at the practice level, rapidly assessing and implementing lessons learned where work occurs. And thirdly, that the pilots produced an understanding of DIA's social networks and identify areas where collaboration—the key to formal and informal integration—was occurring or not occurring within DIA. As the pilots got underway, more and more requests to incorporate and collaborate with Knowledge Laboratory capabilities came from the enabling and mission areas of the organization.

By the end of 2005, the Knowledge Laboratory achieved a reputation for excellence in vision and execution among a relatively small group of participating employees inside DIA as well as a small number of colleagues outside DIA in the Intelligence Community, non-intelligence government agencies, academia, and the commercial sector. From DIA's perspective, the Knowledge Laboratory earned this reputation by attacking the right problem and by rapidly making small changes and improvements in DIA core processes based on Knowledge Laboratory discoveries. The right problem was a lack of collaboration within DIA. The right solution was to allow knowledge seeking, knowledge creation and sharing to trump organizational impediments.

A key discovery was that in order for people to behave differently, they needed better values. That is, DIA Knowledge Laboratory participants had to internalize the significance of the DIA mission, passionately and unselfishly want to fulfill it, and be committed to overcoming existing and emerging obstacles that impeded mission success. These values could not be acquired by reading something or being taught something. DIA learned that, at the beginning of a change process, realizing values could only occur by experiencing new behaviors.

The challenge for the Knowledge Laboratory evolved. Today, the Laboratory must discover ways to spread new learning-based behaviors throughout DIA. DIA leadership describes the path the Knowledge Laboratory is on as the "nudging" path. That is, the mission of the Knowledge Laboratory is to create the environment so that DIA can become a learning organization.

<u>Today</u>

In early 2006, the Secretary of Defense named a new Director of DIA, LTG Michael Maples, USA. General Maples arrived making a remarkable admission to his subordinates in DIA: "I have much to learn." This assertion suggested to all of DIA that a commitment to continuous learning was virtuous and that, if the Director was committed to learning, so too must all of DIA be so committed. General Maples also expressed the desire to scale the integration vision for DIA to a broader defense intelligence-wide integration. LTG Maples appointment thus served as an important accelerant for the Knowledge Laboratory.

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[8] Patti Anklam and Adrian Wolfberg, "Creating Networks at the Defense Intelligence Agency," <u>Knowledge Management Review</u>, March/April 2006, Volume 9, Issue 1, http://www.km-review.com/cgi-bin/melcrum/eu_viewpub.pl?pid=KMR#article5 (accessed 07 April 2006).

First, the Director sent me, as the head of the Knowledge Laboratory, to the Center for Creative Leadership (CCL). CCL had just announced the launch of a new three-month program, mostly conducted virtually with a one three-day onsite seminar, called "Navigating Complex Challenges."[9] This highly customized and interactive program focused on whatever real challenge participants faced. For me, that challenge was determining the roadmap leading DIA to becoming a learning organization.

Second, the CCL experience allowed the Knowledge Laboratory to see itself in a new light. Rather than rebelling against the Given Order—the defective DIA whose own 2004 Lessons Learned proved the imperative for becoming a learning organization—the mission of the Knowledge Laboratory became to create a new order from the best features of the old: DIA people committed to the mission. Where past pilot projects focused almost exclusively on process improvement, pilot projects now focus on mission results *through* process improvements. The bottom-up approach incorporating a network of volunteers also evolved with General Maples' strong support. In addition to the bottom-up approach to organization transformation, General Maples added vigorous and active engagement by senior leadership. Finally, the Knowledge Laboratory built and is executing a long-range strategy with an integrated roadmap for Knowledge Laboratory pilots five years into the future.

Learning

What DIA now sees is that the dominant obstacle to becoming a learning organization—the pace of successfully, or at least satisfactorily, performing the day-to-day mission—can be relied upon to always make looking to and creating a better future very difficult. Similarly, DIA leadership learned that any effort aimed at creating the future, if it was perceived merely as "an initiative" or "a study" or the work of "an office" would be treated as just "more work," and not considered part of the individual's or team's work of learning.

It is clear now that the Knowledge Laboratory mission is to transform DIA. It is also clear to DIA that while the Knowledge Laboratory could continue to pursue the "nudge" approach and let evolution take its course, the outcome may or may not be aligned with the DIA focus on improving collaboration within the wider network of defense intelligence organizations. Hence by transforming the DIA, the Knowledge Laboratory is helping to drive transformation within the wider intelligence network.

The strategy ahead within DIA is to create approaches that institutionalize learning in ways more purposeful; executed with former President Theodore Roosevelt's guidance, "speak softly, but carry a big stick." Within the Intelligence Community, the DIA Knowledge Laboratory follows a gentler imperative: "If you build it, they will come." We are building a learning organization. We believe others in the Intelligence Community will join us.

The views expressed here in this paper are those of the author and do not reflect the official policy or position of the U.S. government, the Department of Defense, or any of its components.

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[9] http://www.ccl.org/leadership/programs/NCCOverview.aspx?pageId=1448 (accessed 07 April 2006)