The acquisition of MPC, a small chemical manufacturing company, by ComChem, a well-established, older company in the same industry, presented many challenges to both organizational cultures. MPC had been a family-run business with just 25 employees, each of whom had developed strong ties to the husband-and-wife team founders. The company was well integrated into the small local community, sponsoring little league teams and contributing financially to area charitable organizations. Employees were involved in most significant decisions, companywide formal and informal communication was frequent, and employees were highly valued and recognized for their contributions through an annual employee appreciation dinner. The environment was casual yet professional, and customers were loyal to the company, as it had served a specific niche in the market serving small local businesses. ComChem also began as a family-owned business, but in a large community serving a customer base of large corporations. Customer service was an important value held by ComChem employees. ComChem employees were treated well, with many perks and benefits available to them, such as a game room that employees were welcome to use at any time and free lunch catering.

After the acquisition deal was signed, executives of ComChem traveled to the MPC site frequently to help employees through the merger, though no one permanently relocated to work there. Some aspects of the transition were frustrating to MPC employees, such as the lack of information about goals, objectives, and the future direction of the organization; vague information about new product pricing; and confusion in job roles. Yet the frustration was short-lived because employees were told honestly that goals had not been determined, for example, and senior
managers from both companies openly admitted that the work of integrating the two companies was tough. To thank employees for their patience during the difficult transition, they gave each employee a cash bonus, and they added a basketball court and other perks to the MPC site as a way of making employees feel welcome, valued, and equal to the "old" employees from ComChem. MPC employees saw proof that the values in the new organization were similar to what they were used to, as both customers and employees were treated well at ComChem (Shearer, Hames, & Runge, 2001).

- What factors do you think make a merger succeed or fail?

In this chapter, we will address some of the predominant organization development (OD) interventions that are designed to target changes in an entire organization or in more than one organization. Typically, such large organization interventions are designed to address issues that affect almost every member. Examples include such topics as the organization’s strategy, structure, culture, organizational identity, future direction, interaction with its environment, relationship to other organizations such as suppliers and local or national governments, mergers and acquisitions, customer satisfaction, and product quality. This chapter describes the following commonly practiced large-scale interventions, those most frequently mentioned in surveys of OD practitioners (Covin, 1992; Massarik & Pei-Carpenter, 1992), overviews of the field (Bunker & Alban, 1997), and descriptions in the practitioner and academic literatures:

- Organizational culture assessment and change
- Organization design and structure
- Directional interventions: strategic planning and real-time strategic change, scenario planning, and search conferences and future search
- Quality and productivity interventions: reengineering, Total Quality Management, and Six Sigma
- Interventions in mergers and acquisitions
- Dialogic OD interventions
- Transorganization or interorganization development

These “large-scale” interventions are done for a number of reasons. There are enormous pressures on organizations to reduce costs, increase productivity, speed up cycle time of product development, clarify direction, improve morale, and increase participation (Covin, 1992). Sometimes organizations approach large-scale interventions consciously and intentionally, such as when they develop a 3- to 5-year strategic plan, engage in a culture change initiative, or acquire/merge with another organization. Change may also be forced on the organization unintentionally due to economic, regulatory, or customer requirements; a competitor’s new product that requires a company to quickly keep up; or changes that occur inside...
the organization, such as an unexpected leadership departure (Cummings & Feyerherm, 1995). Organizations often choose a large-scale intervention when the task is complex or urgent, or when multiple people are required to accomplish it (Bunker & Alban, 1992).

Whatever the reason, “the purpose of an OD intervention in a large system is to make lasting change in the character and performance of an organization, a standalone business unit, or a large department” (Cummings & Feyerherm, 1995, p. 204). By “character,” we mean that large-scale organizational interventions significantly affect integral aspects of the organization’s functioning, structure, and processes (Ledford, Mohrman, Mohrman, & Lawler, 1989). Thus, large-scale interventions are visible, wide-ranging, and require significant commitment and attention of organizational leaders and members.

Characteristics of Contemporary Large-Scale Interventions

Three characteristics of contemporary large-scale interventions are (1) the involvement of a wide variety of participants, (2) greater timeline of the intervention, and (3) a change in the consultant’s role. While these may not apply to every kind of large intervention or every application of a large-scale intervention for any individual client, they do indicate trends that seem to be taking hold among OD practitioners.

Participation. Large-scale interventions, particularly the directional interventions that we will discuss, now tend to include a greater variety of stakeholders than may have been true for interventions like these in the past. The early 1990s saw a shift in the use of whole organization interventions, which invited increased participation in formerly leadership-only decisions such as strategic planning and organizational design. The former top-down model of organizational change, where decisions were announced by top leaders who expected subordinates to accept them and carry them out, produced little buy-in from those lower in the hierarchy who were forced to adapt. To increase both the adoption rate and cycle time of change (and often to develop better decisions), many large-scale interventions began to involve multiple organizational levels (Bunker & Alban, 1992, 1997, 2006).

Large interventions now often involve sizable groups, with hundreds or even thousands of participants (for an example of a large group intervention with as many as 4,000 to 13,000 participants, see Lukensmeyer & Brigham, 2005), or even more in multiple organizations or where entire societies and nations are affected. In fact, even in a single global organization, an intervention that engages many thousands of employees is now commonplace. Including multiple levels and roles in the intervention can lead to better knowledge since problems can be examined from multiple angles, but it also allows participants to learn about the problems, perspectives, and challenges of organizational members they may never have met. In addition, internal and external boundaries have become blurred, as participants from outside the organization, such as suppliers or customers, may be included as well.
Even though the groups are large and may initially sound unwieldy, large interventions are often structured using smaller subgroups for purposes of idea generation and dialogue.

**Timeline.** Despite the need for rapid change, many interventions that target a whole organization rarely consist of a single intervention activity; rather, they often involve multiple activities over a longer period (Covin, 1992, found that the timeline is often longer than a year). Thus, a small list of objectives may be tackled with several individual intervention activities designed to address them.

**Practitioner Role.** The practitioner’s role has also changed, as many large-group interventions ask organizational members to take primary responsibility for generating and analyzing data, and the practitioner’s role is “that of a community organizer who structures, encourages, and helps focus the issues” (Bunker & Alban, 1992, p. 581). Rather than the practitioner having responsibility for gathering and interpreting data, organizational members can generate their own data and then can be taught and assigned how to analyze and interpret it.

Thus, whole organization interventions can be quite large and complex. We begin with one of the most pervasive whole organization interventions—that of organizational culture assessment and change.

### Organizational Culture Assessment and Change

As discussed in Chapter 2, organizational or corporate culture began to take hold among executives and change practitioners beginning in about the 1980s. Since that time, interest in cultural assessment and change has blossomed. Further unpacking the meaning of culture can be illuminating, because culture can refer to a wide variety of behaviors, actions, meanings, and symbols in organizations. Consider the following list of elements of organizational culture:

- **Language, metaphor, and jargon.** How organizational members speak to one another, using what terms. An example is whether organizational members are referred to as “associates” (some retail stores), “individual contributors” (some corporate environments), or “cast members” (such as at Disneyland). Organizational members develop specialized acronyms and terms that often only they understand.

- **Communication** (patterns and media). Who communicates to whom, on what topics, using what media. In some large organizations, the highest leaders send e-mail to all employees, while in others in-person communication is preferred. These choices can be situation- or topic-dependent as well.

- **Artifacts.** For example, pictures or posters on the wall, lobby decor, or dress style. Some organizations have explicit rules for who is permitted what size office, with what furniture style, or even what model of phone or cell phone calling plan is authorized.
• *Stories, myths, and legends.* What stories from the past resonate with organizational members to recall lessons and learnings from positive or negative events. An organization that has undergone an especially traumatic event, such as a bankruptcy, is likely to have a set of stories and assumptions that are repeated to guide new decisions in order to avoid repeating historical mistakes.

• *Ceremonies, rites, and rituals.* These are formal and informal gatherings or recurring events in which a standard “script” seems to be followed. Examples include a corporate picnic or holiday party, initiation rites such as those in a fraternity or sorority, or even repetitive events such as annual sales conferences, staff meetings, or performance appraisals.

• *Values, ethics, and moral codes.* Doing what is “right” may mean doing it quickly in one organization or doing an exhaustive study of all possible options in another organization. Organizations have espoused values, those that they explicitly articulate, and hidden underlying values, those that guide decision making but about which organizational members are usually less conscious.

• *Decision-making style.* Including what information is needed before a decision is made, who is consulted, whether opinions are freely offered, who makes the final decision, and how it is communicated.

Elements of culture can be visible, such as styles of dress, office spaces, and language choices, and they can also be invisible or hidden, such as the organization’s values, ethical beliefs, and preferences. The more deeply held the belief and more tacit the assumption, often the more difficult it is to change. Figure 12.1 illustrates these elements of culture.

Among experts on organizational culture, perspectives differ on how culture can or should be assessed. Edgar Schein (2006b), one of the most well-known authors on organizational culture, writes that “many organizations think that a general cultural assessment would be of value to them. Unless the culture assessment is tied to a change initiative, however, it is fairly useless” (p. 457).

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**Figure 12.1** Organizational Culture
Schein’s culture assessment involves focus groups (detailed below) because groups and teams create culture, so he argues that the data used to understand the culture should also come from groups, not individual surveys. Schein’s assessment of culture is qualitative, which has been the dominant way of studying culture. However, another well-respected set of authors on culture has found success with an Organizational Culture Assessment Instrument (OCAI; Cameron & Quinn, 2006), a quantitative methodology where organizational members complete individual surveys to give change agents insight into the culture. By comparing organizations on dimensions such as internal versus external focus and preferences for flexibility or control, the “competing values framework” (which is the basis for the OCAI; see Cameron & Freeman, 1991; Cameron & Quinn, 2006; Denison & Spreitzer, 1991) to organizational culture posits four idealized culture types:

- **Clan.** People strongly identify with the group, as in a family, placing a strong emphasis on the team and teamwork. Organizational members are loyal and friendly.
- **Adhocracy.** Innovation is prized, with organizational members having a large amount of independence and autonomy. The organization emphasizes developing cutting-edge products and services and leading the market.
- **Hierarchy.** Tradition and formality are dominant values. The emphasis is on stability, rules, and efficient processes.
- **Market.** Organizational members are competitive, hardworking, and demanding. Productivity and beating the competition are emphasized.

Organizations rarely fit one of these categories precisely; instead, they have elements of each cultural type to a greater or lesser degree. Culture may be a problem or need to be considered for change if elements of the culture or the environment are incongruent with one another (for example, if processes are formal as in a hierarchical culture but the external environment requires the innovation of an adhocracy culture). Thus, the OCAI can help change agents understand broad patterns of cultural values across the organization and open up conversations with organizational members about how the culture can be changed.

Schein (2004, 2006b) has developed a culture change process involving focus groups that are asked to define the culture and to determine how it should be changed. His process involves soliciting commitment from top leadership for the effort and then beginning a series of focus groups that explore the elements of culture listed above (such as communication patterns, ceremonies, and artifacts). In Schein’s process, subteams, often from different parts of the organization, are asked to do the following:

1. Describe the organization’s existing culture, including specific examples of artifacts, rituals, and language.
2. Define the organization’s explicitly articulated values.
3. Analyze whether the values fully explain the existence of the artifacts or whether there are underlying assumptions that amount to additional hidden cultural values.
4. Describe how the explicit or hidden values inhibit or strengthen how the organization achieves its goals.

5. Share any subcultural differences among the teams.

6. Discuss and come to agreement on action plans to change the negative cultural values.

Once changes to the culture have been identified, how are the new values actually introduced into the organization? Because cultures have tacit beliefs and values at their foundation, it is easy to fall into thinking that culture is inevitable, or that it is something that an organization “has” rather than something that people in the organization “do.” In other words, each time we repeat a cultural value, we reinforce it even though we had a choice to do something different. A culture can be changed, Schein (1990b, 2004) states, through actions that explicitly reinforce new cultural values and those that dismiss the old, beginning primarily with the most visible actions of leadership. Examples include the following:

- Leaders can hire new managers and employees into the organization, as well as promote those who model the new cultural values, and visibly reward them.
- Those who do not model new cultural values and behaviors can be punished or removed.
- Old artifacts, rituals, and ceremonies can be removed or discontinued, and they can be replaced by new ones.
- Leaders can take the opportunity to discuss the new cultural values at every opportunity, such as in staff meetings, employee e-mails, and one-on-one meetings.
- Leaders can model the new culture through their actions, explaining to employees why an action is being done (Deetz, Tracy, & Simpson, 2000).
- Leaders can tell stories of success or failure that relate to the new values.

There are a number of excellent cultural assessment methodologies, both quantitative and qualitative, that have been developed by scholars and OD practitioners. Regardless of the methodology chosen, it is important to be conscious of the reasons and uses of the assessment. It is tempting to ascribe all organizational problems to problems of “culture,” which can be esoteric to many leaders and unnecessarily broad for the change agent to diagnose when the problem can be defined more specifically.

Organization Design and Structure

Many organizations conduct a regular restructuring, giving employees new titles or job descriptions, or perhaps creating, combining, or dividing departments. These structural changes often fail to achieve their desired outcomes, which frequently occurs when organizations approach design activity as a knee-jerk reaction to other problems or alter the organizational structure without considering larger implications.
However, there are many times when organization design genuinely needs to be addressed. The organization may be a new division or may have grown substantially. The organization may have outgrown its previous model due to size or complexity, or a change in strategy or major acquisition prompts the company to rethink an outdated model. Other signs for concern exist when departmental barriers inhibit process effectiveness and the organization is no longer serving its customers well, or employees may be frustrated at the internal obstacles to getting their work done (Ashkenas, Ulrich, Jick, & Kerr, 2002).

Such challenges can be addressed when a design perspective (as opposed to a restructuring) is taken. The purpose of a design effort, according to Jay Galbraith (1977), one of the leading experts on organization design, is to develop consistency between the organization's strategy, goals, and structure:

Organization design is conceived to be a decision process to bring about a coherence between the goals or purposes for which the organization exists, the patterns of division of labor and interunit coordination and the people who will do the work. (p. 5)

This implies that the organization must be clear about its strategy, customers, and the processes by which the organization delivers value to customers. It may be the case that a strategic intervention is necessary first if the strategy cannot be clearly articulated. Indeed, Galbraith, Downey, and Kates (2002) recommend that “the design process always begins with reviewing the strategy” (p. 12). Kesler and Kates (2011) refer to organization design as a leadership competency, but they note that while many leaders focus attention and receive development in the areas of strategy and talent management, organization design receives considerably less attention, though it has a significant impact on the achievement of the strategy.

The terms structure and design are often used synonymously, but they are not the same. An organization's structure tends to refer to the ways in which boxes are drawn on organizational charts, whereas design refers to not only the structure but also other elements that support the structure. Design has several components, all of which must be in alignment and must support one another to produce a capable, effective organization (Galbraith, 1995; Galbraith et al., 2002). These components have been described in two ways: in Galbraith's star model and in the McKinsey 7S framework.

Galbraith describes five components of an organization's design that he terms the star model, depicted in Figure 12.2:

- **Strategy**: The organization's direction and long-term vision
- **Structure**: Roles, responsibilities, and relationships among functions
- **Processes and lateral capability**: Decision-making processes, integrative roles, and cross-functional collaboration mechanisms
- **Reward systems**: Compensation and recognition, goals and measurement systems
- **People practices**: Hiring, performance reviews, and training and development
Each of these five components supports and must be in alignment with the other four. When any aspect of the star model is out of alignment with the rest of the model, the organization’s performance suffers. If the strategy is not clear to employees, for example, individuals and teams will be confused about their purposes and overarching objectives. If reward systems do not explicitly articulate tangible and intangible recognition in support of the goals and objectives, the organization may be rewarding the wrong activities. The organization design can inhibit the effective accomplishment of work, and while “smart people figure out how to work around the barriers they encounter . . . they waste time and energy” (Kates & Galbraith, 2007, p. 2) in doing so.

A second model of organization design appeared in Peters and Waterman’s (1982) book *In Search of Excellence*, in which they explain that organizations are more than their structures alone:

Our research told us that any intelligent approach to organizing had to encompass, and treat as interdependent, at least seven variables: structure, strategy, people, management style, systems and procedures, guiding concepts and shared values (i.e., culture), and the present and hoped-for corporate strengths or skills. (p. 9)

The framework became known as the McKinsey 7S framework (Figure 12.3) after the authors’ consulting work at the well-known company. Similar to the star model above, the 7S framework acknowledges the interconnection of multiple issues in an
organization’s design beyond strategy and structure. Waterman (1982) explained that “when the needles are aligned, the company is organized; when they are not, the company has yet to be organized even if its structure looks right” (p. 70). In later years, Higgins (2005) revised the 7S framework into an 8S framework, changing “skills” to “reSources” and adding a “Strategic Performance” circle to serve as an outcome of the interrelationships among the seven components.

Galbraith et al. (2002, p. 5) offer an instructive diagnostic chart to help identify areas of misalignment in the organization’s design (see Figure 12.4).

Stanford (2005) suggests a five-phase process for an organizational design change:

1. **Preparing for change.** This includes assessing the current organizational structure, assessing the organization’s strategy, and outlining objectives for a new design.

2. **Choosing to redesign.** An organizational design change can be highly disruptive. Once word leaks that a new structure is imminent, employees may begin to feel anxiety over the transition to a new team, new manager, or new job. Gaining feedback from a large group of stakeholders on the criteria for a new design can help to assess the prospects for a successful transition (Galbraith et al., 2002).
3. Creating the high-level design. Developing alternative scenarios and evaluating them against tests such as those described below. This includes considering not only alternative structures, but how the structure will affect processes, rewards systems, metrics, people selection, and skill development.

4. Handling the transition. This involves communicating plans to employees and helping them through the transition.

5. Reviewing the design. Components of this review include evaluating the results of the new structure, measuring outcomes, and making adaptations or any new changes.

Common Organizational Structures

Five common organizational structures include the functional, unit, matrix, network, and boundaryless or process structures. Each of these is described below.
in its purest form, with its advantages and disadvantages, though there are many variations and combinations of structures (Galbraith, 1995).

**Functional Structure**

The functional structure is arguably the most common and well-known hierarchical structure. In this design, divisions are organized by the type of work they do, so that divisions of marketing, finance, sales, manufacturing, product development, and so on are led by a single executive who reports to a chief executive officer, for example. Those who work in marketing work with other like-minded marketing professionals on marketing-related concerns, so its chief advantages lie in its ability to help divide labor and focus on narrow areas of specialty. It can also be a highly efficient structure. The marketing budget, when centralized in this manner, can be used for leverage to develop a contract with a single vendor for all printed brochures, for example. Standard practices can be developed for the department to reduce duplication of work (Galbraith, 1995). Figure 12.5 shows an example of a functional structure.

Disadvantages of the functional structure include interdepartmental coordination and complexity. Coordination between functions generally is expected to happen at higher management levels, which can slow down interdepartmental information sharing unless other lateral or horizontal capabilities are developed. When the organization becomes more complex, with multiple products, services, and markets, the demands placed on the functional structure can exceed the capacity of the system to cope with the decisions and information needed. Thus, the functional structure is best for smaller companies with fewer product lines that have a long life cycle (Galbraith, 1995). Because of this, many observers believe that the once-dominant functional structure has been outgrown, since in many (perhaps most) organizations, speed and fast product turnover have become the norm.
Unit Structure

A unit structure is an alternative to a functional structure, and it divides responsibilities by the market, product, service, or geography that the unit serves. A financial services company might choose to organize by a unit structure, with divisions for auto loans, mortgage loans, retirement accounts, and banking, which are essentially the different products that the bank offers to customers. Instead of a single division to handle customer accounts, there might be separate loan officers, financial advisers, and processing and billing departments in each of those divisions. When implemented at its fullest, in a unit structure each unit has its own human resources, information technology, finance, sales, and marketing departments. Figures 12.6a through 12.6c show three examples of unit structures, organized by product, customer segment, and geography. Figure 12.6a shows a unit structure organized by a product segment, the banking organization described above. With a product structure, coordination and focus within a single unit is clear, since in the auto loan department there are specialists who work solely on auto loans, and attention is not diverted to the special and distinct challenges of mortgage loans. Decisions can sometimes be made more rapidly because each department controls the resources needed for rapid implementation. Figure 12.6b shows a unit structure organized by customer segment, a marketing organization for a book publisher where the customer segments include books marketed to K–12 students, college students, and professional/technical readers. This structure has the advantage of focus, where divisions can dedicate their energies to the unique needs of a given market. Last, Figure 12.6c shows a geographic structure organized by continent. In a geographic version of a unit structure, resources can be placed physically closest to where the work happens, and the structure offers the advantage of local customization and knowledge of regional customer needs.

However, the unit structure can also lead to duplication of work and inefficiencies, since multiple departments may not be sharing skills and resources most effectively. (They may unnecessarily duplicate purchases of information technology, for example.) Because different divisions may operate independently, they may not share information or knowledge effectively. When those who do business with the company have a relationship with more than one division, they can be frustrated when they experience different policies and processes, such as billing and invoicing, or the lack of information sharing between divisions (the mortgage division may not share information with the auto loan division to streamline a consumer’s loan application information; global customers may need coordinated points of contact in each geographic division).

Matrix Structure

Matrix organizational forms were first developed in the 1960s and 1970s as an attempt to address some of the disadvantages of the first two forms and to maximize their advantages. In a matrix form, the specialist functions and unit functions both exist, in some respects. Imagine a technology company that
manufactures personal computers, printers, software, and handheld devices. If it operates in a matrix structure as depicted in Figure 12.7, it might have teams in each division with responsibility for engineering, marketing, and operations. Each of those latter functional groups would have a leader to oversee the company's overall strategy for that division. For example, the leader of marketing would be responsible for ensuring a consistent marketing strategy across all divisions, while the leader of the printer division would be responsible for the success of the company's printing products. Note that a requirement for the matrix
is that the organization maintains dual perspectives (function and geography, or product and customer segment, for example), with employees reporting directly to the two bosses that manage these dual perspectives (dotted line relationships are technically not matrix structures).

While Figure 12.7 depicts the most basic of matrix structures, organizations have evolved ever more complex versions in the decades since the matrix was originally popularized, particularly in organizations that do business globally and need a strong geographic dimension to their structure. Consider how Figure 12.7 might look if we added three geographic regions reporting to the CEO. Each of those geographic divisions might also have connections to the other lines of the business, to create a department responsible for marketing printers in Europe, or engineering software in Japan. Galbraith (2009) even explores what a four-dimensional matrix structure looks like, including a discussion of the challenges of planning, leadership, and human resources policies that these structures present.

Matrix organizations work especially well under three conditions (Davis & Lawrence, 1977). First, they work well when there exist pressures for multiple areas of focus, such as when a group needs to focus on both technical expertise in a certain field and unique customer requirements of a given market. Second, matrix organizations work well when the work is especially complex or interdependent and additional coordination is required. When people are interdependent in multiple ways, a matrix may help to improve communication patterns. In the example above, information can be shared at both the product line and functional level. Finally, a matrix is appropriate when resources need to be shared for maximum efficiency. When skills are scarce and resources are at a premium, a matrix facilitates reassignment of the most scarce resources to the necessary areas. A marketing manager could move from personal computers to handheld devices, for example.

Matrix structures can be challenging to implement and can cause role conflict for the individual who can be caught between the demands of two managers. Decision processes can be complicated by seemingly needing the approval of managers at many levels in order to proceed. The matrix structure can thus lead to power struggles among managers.

**Network Structure**

Like the matrix structure, the network structure dissolves the traditional hierarchical functional structure. Indeed, the network structure reduces the organization’s functions down to its central competencies, and a network of suppliers and partners provides services that the organization does not consider central (or that are not cost-effective to perform internally; Miles & Snow, 1992). In one type of network, organizations may design their own products internally, but may contract with an outside manufacturer and shipping company to build and deliver products to customers. They may work with local distributors or third-party providers who may sell directly to customers on behalf of the company, but these distributors are independent entities, not in-house sales agents. In some
networked organizations, the “external” suppliers may be so tightly integrated with the organization’s people, processes, and technology that the line between being internal and external to the organization is blurred. The organization may even ask outside suppliers, manufacturers, and distributors to integrate their own processes and technology on behalf of the company. The organization therefore becomes a “broker” of services among the various players (Miles & Snow, 1986). An example of this type of network is presented in Figure 12.8. Other types of networks exist as well (Miles & Snow, 1992).

Network organizations can be cost-effective and flexible, and they can focus the organization on its central purpose. They can also cause problems when the organization must rely on the performance (and organizational health) of an external company over which it may have little control. The transition from internal ownership to external control can also be challenging if organizational knowledge or processes are not robust enough to share effectively.

**Boundaryless and Process Structure**

Boundaryless and process designs became popularized in the 1990s as a way to structure an organization to achieve flexibility as a principal objective (Bahrami, 1992). This design emerged primarily in high-technology companies where...
creativity and innovation, along with rapid product development cycles and quick time to market, were necessary to remain competitive. The boundaryless design breaks down the traditional hierarchy and replaces it with cross-functional, often self-managed teams that form and restructure as the business changes. Roles, titles, jobs, and teams are no longer rigidly built into the structure of the organization, but negotiated and flexible depending on the needs of the organization. The ability to rapidly form teams, set objectives, adapt to change, and build relationships are all key skills in the boundaryless organization.

One slightly more structured version of a boundaryless organization is to design by process steps. There may be a division focused on the process of gathering customer requirements and developing new products. Another division may be focused on creating customer demand and processing orders. A third may focus on manufacturing orders and delivering products to customers. A process leader may be in charge of each process step. Boundary-breaking designs like this one are good when rapid cycle time is necessary, since there are fewer boundaries to interrupt process flow and decisions to revise the process can be made at the local level. The work flow and each department's connections to the customer are much clearer to all organizational members. Galbraith (2002) notes that the process structure was once a popular organizational structure, but that the structure is less useful in organizations that have automated or outsourced many processes and thus do not have jobs assigned to them as the structure intends. Figure 12.9 shows an example of a boundaryless or process structure.

The task of leadership and management is particularly challenging in the boundaryless organization, as old ways of managing in the traditional hierarchy no longer apply. In an organization accustomed to traditional vertical decision-making authority, a boundaryless structure can be a foreign way of managing. Leadership now performs an integrative function (Shamir, 1999), managing tensions among
authority, tasks, politics, and identities (Hirschhorn & Gilmore, 1992). Leaders in the boundaryless organization must help to form teams, negotiate between teams, sort through role conflicts, balance competing interests between groups, and encourage employees to maintain an organizational connection even while teams are being disbanded and reformed.

**Lateral Capability**

As you might have noticed, each structure has its advantages and disadvantages. What is appropriate for one organization, based on its strategy, may be inappropriate for another. In addition, every structure choice will solve some problems while it creates others. For example, the common functional structure, appropriate and effective for many organizations, can create challenges in sharing information across functions. In the geographic structure, a regional sales group can maintain a local focus on its customers, but it may have difficulty knowing how to solve a certain problem that, in fact, has already been solved in another region because of the challenge in sharing solutions across geographic boundaries.

To compensate for the flaws in a chosen structure, organization designers develop lateral capabilities, or horizontal mechanisms that enable the organization to enhance connections between groups or divisions created by the structure. Whereas the structure develops the vertical organization by creating departments and groups with common objectives, lateral practices help the organization share information across these boundaries.

Galbraith et al. (2002) describe five kinds of lateral capability. Some of these can occur naturally or informally, whereas others must be designed deliberately and typically more formally.

1. *Networks*: Networks can facilitate information sharing across department boundaries by exposing members of one group to those in another. Imagine making an acquaintance in another division at a training program or office party, then later needing a contact in that division to help solve a problem you are experiencing.

2. *Lateral processes*: A lateral process is a key organizational process that crosses major divisions. Consider a process such as new product design, which might involve employees from service, sales, marketing, operations, and research and development.
3. **Teams**: Cross-functional teams can be established in which members maintain relationships on the team as well as in their division. A product sales team, with representatives from each geography, can meet regularly to share best practices and solve problems they have in common related to selling a particular product.

4. **Integrative roles**: Integrative roles are formal positions with the responsibility to share information across the structure. A marketing liaison who works in customer support might gather all customer problems on a regular basis, meet with the marketing team, and then bring back information to customer support on upcoming product releases and marketing initiatives.

5. **Matrix structures**: We discussed the use of matrix structures above, but note that matrix structures are not only a structure but a lateral capability as well. By implementing structural relationships at multiple levels, the matrix structure attempts to compensate for maximizing one element of the structure (product) with another (geography). Thus, it formalizes information sharing across groups within the structure.

Notice that as more sophisticated types of lateral capability are chosen (moving down the list above), there is an associated cost in time, energy, and complexity (see Figure 12.10). Which type of lateral capability to implement thus depends on the organization's needs.

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**Figure 12.10** Continuum of Lateral Capability


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Tests of a Good Design

Given the complexities and tradeoffs involved in selecting any of these organizational structures, what should a change agent consider when evaluating a proposed new design? Nadler and Tushman (1992) suggest that change agents evaluate the design’s ability to contribute to the strategy and task needs of the organization while appropriately fitting with its social and cultural environment. Strategic factors include a design that does the following:

- Supports the implementation of strategy
- Facilitates the flow of work
- Permits effective managerial control
- Creates doable, measurable jobs

Social and cultural factors include examining how

- Existing people will fit into the design,
- The design will affect power relationships among different groups,
- The design will fit with people’s values and beliefs,
- The design will affect the tone and operating style of the organization.

Goold and Campbell (2002) list nine tests of whether an organization is well designed, propositions that can be used to appraise a design to see whether it is appropriate. They write that the first four of these tests of structure are for “fit” with organizational goals, strategies, skills, and plans. The final five are tests of good design, helping an organization achieve the right level of balance in processes, and may suggest modifications to the design to account for the particular challenges in any organization.

1. **The market advantage test.** Does the structure match how the organization intends to serve its markets? If the organization serves customer segments differently in different geographies, then having geographic divisions makes sense. No customer segment should be missed, and ideally no segment should be served by multiple divisions in order to provide maximum focus.

2. **The parenting advantage test.** Parent organizations should organize in ways that allow them to provide the most value to the rest of the organization. If innovation is a key value of the parent company, has it organized in ways that maximize innovation throughout the organization?

3. **The people test.** The design should support the skills and energy of the people in the organization. If the design requires that the head of engineering also manage finances, and finding a single replacement for those dual specialized skills is unlikely if the current leader were to leave, the design may be risky. In addition, the design may be risky if it will frustrate valuable employees who may lose status in the new structure.
4. **The feasibility test.** Will the design require a major cultural shift, such as a matrix design in a culture very comfortable with rules and hierarchy? Will information technology systems require drastic, expensive changes to report performance by customer industry versus geography?

5. **The specialist cultures test.** Some organizational units maintain different subcultures for good reasons. A group focused on the company’s core products may think of innovation as a gradual series of incremental improvements to existing products, but a new products division may need rapid innovation for products that have a short life cycle. Combining R&D from both divisions may result in a dangerous culture clash.

6. **The difficult-links test.** How will divisions in the new structure develop links between them, and who will have authority when conflicts arise? If six divisions each have separate training functions, how will they coordinate the use of instructional resources such as classrooms and trainers?

7. **The redundant hierarchy test.** To what extent are layers of management necessary to provide focus, direction, or coordination for the units in their scope? If the purpose and value of a level of management is the same as the ones below it, it may be unnecessary.

8. **The accountability test.** Does the design streamline control for a single unit, or is authority—and accountability—diffused among different units? Will it encourage units that cannot collaborate to blame one another for poor performance?

9. **The flexibility test.** How will the new organization react when a new product is to be designed? Is it clear how the organization would work if the strategy were to change? Does the design actually obstruct and confuse rather than streamline and clarify?

Few designs will achieve all of these criteria. Goold and Campbell (2002) recommend that design planning be an iterative process, and that as a design fails one test, it should be revised and run through the list of tests once more. That said, “there is no one best way to organize” (Galbraith, 1973, p. 2), so some tradeoffs are inevitable. Ideally, “if management can identify the negatives of its preferred option, the other policies around the star model can be designed to counter the negatives while achieving the positives” (Galbraith, 2002, p. 15). Being conscious of how the design addresses the strategy and working with the other elements of the star model to address the flaws with the design is the best advice.

### Directional Interventions

In this section we will consider interventions that help organizational members understand and define what actions they should take to develop the organization for the future. They include (1) strategic planning and real-time strategic change, (2) scenario planning, and (3) search conferences and future search. Broadly
speaking, while each has a similar general objective, in that they all help organizational members agree on and plan for the future, they differ in their outcomes and process.

**Strategic Planning and Real-Time Strategic Change**

There are dozens of definitions of strategic planning and an equal number of writers who have recommendations about how to conduct it. Vaill (2000) defines strategic planning as follows:

Planning for the fulfillment of the organization’s fundamental purposes. It includes the process of establishing and clarifying purposes, deciding on the objectives whose attainment will help fulfill purposes, and determining the major means and “pathway” (strategies) through which these objectives will be pursued. (p. 965)

Strategic planning involves making decisions about the organization’s purpose, products, vision, direction, and action plans. It also involves tradeoffs and choices about customers and markets, as well as introspective analysis about the organization’s competitive advantage and challenges in its current environment (Porter, 1996). Strategy also includes a discussion of mission (the purpose of the organization, including its products, markets, and customers) and goals and objectives (the targets, timelines, and methods by which the strategy will be translated into specific measurable activities). Strategies can be developed for almost any length of time—organizations often develop annual strategies as well as those for 3 to 5 years, or even 10 years or more, depending on the organization and its industry. Rapidly changing technology organizations may choose to develop a short-term plan of only a few years, whereas more established and less changing industries may choose longer time horizons.

Among management scholars, much has been written about the intricacies of strategy development. A perfect strategic plan, however, runs into challenges when the real work of implementation begins. Beer and Eisenstat (2000) write that there are six “silent killers” of strategy implementation, all of which relate centrally to the concerns of OD practitioners:

1. Top-down or laissez-faire senior management style
2. Unclear strategy and conflicting priorities
3. An ineffective senior management team
4. Poor vertical communication
5. Poor coordination across functions, businesses, or borders
6. Inadequate down-the-line leadership skills and development (p. 30)

Despite the potential for OD to address these implementation challenges, OD practitioners have historically not been deeply involved in the development of an
organization's strategic plan, which has generally been a top management activity. This may be because of OD's intellectual history or reputation for a lack of business knowledge and the assumption by many executives that OD has little to offer the economic, financial, and marketing-oriented world of organizational strategy. However, the focus of the internal change agent on the effective implementation of strategy can be a defining characteristic of successful strategic planning. Internal OD practitioners can contribute to the process of developing the strategy itself but also can make leaders aware of many additional concerns as they formulate the strategy, such as the following:

- How individuals and teams adapt to changes in strategic direction
- Implications of the strategy on organizational design
- How organizational processes support or hinder the strategy
- Elements of the organizational culture (language, rituals, etc.) that support or hinder the strategy
- How performance management and rewards systems relate to the strategy
- How strategic initiatives can be translated into goals
- Collaboration between departments to achieve strategic objectives

**A Strategic Planning Case Study**

Consider this example of a strategic planning process published by Beer and Eisenstat (1996). Alpha Technologies is a $1.7 billion technology company with offices throughout the world. It was composed of a number of different units, gathered together over time through acquisitions and mergers, so that a central problem for leaders was developing an integrated strategy. In response, company leaders developed a strategic planning process that required in-depth analysis of competitors, market conditions, customer needs, and product lines. Executives consulted one another to develop these departmental strategies, but the company became increasingly anxious that implementing these strategies would prove too difficult to carry out effectively because of internal barriers to change.

A strategic human resources management (SHRM) process was created so that the internal dynamics of strategy implementation could be understood. A small employee team, made up of individuals one or two levels below the senior team, was appointed to gather data from the organization about the factors that would support or inhibit the organization's implementation of its strategy. Areas for analysis included anything from organizational practices and resources to management capabilities. In a 3-day session, the employee data gathering team returned to share the data with top leaders, who listened to the presentation of data and jointly diagnosed the results and planned actions to take based on the feedback. The team analyzed the organizational culture, satisfaction levels of stakeholders such as customers and employees, leadership effectiveness, career development and training, the organization's ability to undertake interdepartmental coordination, and more.

In one division in particular, some difficult and honest feedback was shared. The employee task force reported that while the division was currently successful, future
threats could undermine success due to a number of interpersonal and internal factors. These included low morale, a top-down management style in the division, low cross-functional interaction between departments, and poor upward and downward communication. As a result, the president of the division agreed to make certain changes to his own behavior, cross-functional management teams were created, and the senior team worked on its own team functioning. Other departments made staffing or role changes. In still other cases, disagreements about the overall division direction and strategy surfaced. Task force members reported being anxious about sharing the data, but that once the issues were raised, they did not experience any retribution for honest feedback.

The process resulted in organizational members being allowed to “discuss the undiscussable” (Beer & Eisenstat, 1996, p. 608), though this remains a challenge outside of the SHRM process. A higher level of involvement of employees and connections to senior management has opened up avenues for feedback and participation. Top executives say that the development of the company’s overall strategic agenda relies to a significant extent on the SHRM process. While the process continues to be refined and is far from perfect, “the strength of these interventions is that because they are highly structured and consultant led, they allow organizations composed of individuals who may not possess sophisticated inquiry skills to raise and address collectively difficult issues” (Beer & Eisenstat, 1996, p. 617).

**The Integrated Strategic Change Process**

While strategic planning and OD may not have a lengthy history, it is clear that opportunities abound for integration and that OD brings “subject matter expertise, process expertise, and intervention expertise” (Worley, Hitchin, & Ross, 1996, p. 10) to the strategy effort.

Worley et al. (1996) have developed a four-step strategic planning and implementation process designed specifically for OD practitioners to add significant value to the planning effort. They call the process *integrated strategic change (ISC)* and write that their approach considers strategy development in combination with the often more challenging issues of strategy implementation, such as organization design, employee motivation and skills, and collaboration and teamwork across the organization. In this process, the strategy does not stand alone, but it aligns the organization around the necessary means to make it effective through a change plan. The ISC process consists of these steps, with the first two comprising strategy development activities and the next two comprising the change management activities to make the strategic plan effective:

1. **Strategic analysis.** The first step is to conduct a strategic analysis, which involves an assessment of the organization’s readiness for strategic change, an understanding of the organization’s values and priorities in creating a strategic plan, and a diagnosis of the organization’s current strengths, weaknesses, opportunities, and threats (SWOT). It also includes a diagnosis of the organization’s strategic orientation, including mission, goals, and core processes.
2. **Strategy making.** The next step is to formulate the strategy. This involves the organization's vision and strategic choices about the amount of change that will be proposed in the new strategy. Leaders analyze the organization’s environment, performance, and core competencies to determine whether minimal revision of the strategy is appropriate or whether it needs more radical change. Decisions are made about adapting or improving existing processes and about the future of the product portfolio, including areas to invest or reduce.

3. **Strategic change plan design.** The strategic change plan outlines not only the major activities that will be implemented or will change when the strategy is adopted but also the impact that the strategy will have on stakeholders inside and outside the organization.

4. **Strategic change plan implementation.** Leadership has a particularly important task in the implementation of the change plan. Leaders must communicate the vision and strategy, including the rationale for the change and how the leadership team arrived at major strategic decisions.

**Real-Time Strategic Change**

Real-time strategic change (R. W. Jacobs, 1994) is a related intervention that OD practitioners have developed that can increase the pace of change. It can be applied to a number of topic areas that require commitment throughout the organization, including organizational members’ ownership of and follow-through on implementing a strategic plan (Dannemiller & Jacobs, 1992). While it is not explicitly a strategy development process, it can help organizations implement the strategic plan by increasing awareness and commitment to the plan and its foundations. Philosophically, it has much in common with the search conference methodology that we will discuss later in this chapter, but the objectives are slightly different.

In real-time strategic change, participants work on present-day concerns, or “real business issues, such as cost containment, product quality, and increased responsiveness and sensitivity to the marketplace needs of customers” (Dannemiller & Jacobs, 1992, p. 484). It can involve hundreds of members from throughout the organization who work together to solve problems and discuss opportunities facing the entire organization, not just on those facing their own group or department. “Real time” in this process means “the simultaneous planning and implementation of individual, group, and organization-wide changes” (R. W. Jacobs, 1994, p. 21).

“Strategic change” means that organizational members will work together on important issues in the organization’s internal and external environment, including “customer and supplier needs, competitors’ strategies, industry trends, market challenges and opportunities,” and more (R. W. Jacobs, 1994, p. 22). Participants discuss changes to the entire organization, including the implications of those changes internally. By involving a large group of employees in such strategic decision making, both problems and additional strategic opportunities can be known earlier. It works especially well in strategic planning situations in which the following occurs (R. W. Jacobs, 1994):
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1. A leadership team has decided that its organization needs a new strategic direction based on drivers for change either from inside or outside their own organization.

2. A draft strategy has been developed by a leadership team prior to the event.

3. The leadership group is open to feedback on the strategy by participants and to revising it based on this feedback.

4. The participants in this event make up the entire organization or a critical mass of people from a larger organization. (pp. 54–55)

Real-time strategic change events are generally structured over a 3-day period. The first day is focused on “building a common database of strategic information” (R. W. Jacobs, 1994, p. 56). Participants sit in “max-mix” groups (groups that represent a diverse set of functions, roles, and departments throughout the organization) and share an experience they have had in the organization over the past year that was exasperating or maddening, along with what the next year is expected to be like (both good and bad). Participants summarize the themes representing their current view of the organization and hear from leaders who talk honestly about their own views of the organization. With a commonly shared present state, organizational members learn more about the strategic plan from top leaders, asking questions to clarify their understanding. Next, customers or content experts may give presentations to expand the group’s perspective. Participants explicitly discuss changes that they need to make or that other functions need to make for the strategy to be successful. Through processes of individual group discussion, posting themes, and voting, organizational members are drawn back and forth between their own small group contributions and the ideas and beliefs of the larger group. The conclusion of the event asks intact teams to work on action plans as a team to take feedback from other groups and to make decisions about how they can support the strategic plan, designing follow-up initiatives that they will commit to accomplishing. Jacobs (1994) states that the real-time strategic event combines dissatisfaction with a current state, a vision for the future, and action planning that can overcome resistance to change when a large group goes through the experience at the same time.

It is clear that as organizations follow the strategic planning process, OD practitioners can offer a significant contribution:

By infusing strategic planning processes with the OD perspective, organizations can understand better when and how to make substantive changes in their strategic orientations. Without this integration, we fear organizations will continue to generate elegant strategies that fail to get implemented or effectively implement organizational changes that have but a tenuous relationship to firm performance. (Worley et al., 1996, pp. 153–154)

More and more, OD practitioners are developing skills in strategic planning. They have value to add to the development of strategic content by becoming experts
in strategic planning processes, especially in the areas of implementation and change. The integrated strategic change process and real-time strategic change are two methodologies by which OD practitioners can accomplish this.

**Scenario Planning**

Scenario planning was developed as a management methodology in the late 1960s and 1970s at Royal Dutch/Shell to better plan for the possible economic and oil demand conditions of the mid-1970s. By using a process of defining and elaborating on various alternative scenarios, they could prepare for what they saw as (and what turned out to be) an eventual oil crisis (Wack, 1985a, 1985b). As we have discussed, the contemporary environment is characterized by a rapid pace of change and a great deal of uncertainty, which has made scenario planning increasingly popular in the past 5 to 10 years. Globalization, increased competition, and economic changes have made a single predictable forecast almost impossible to create or for organizations to respond to. Scenario planning thus encourages organizations to consider several likely possible future states, to consider which of those is most likely, and then to develop plans and actions that could account for a number of possible future situations. In a highly uncertain environment, scenario planning helps to “inform decision making, learn through challenging the currently held mental models, enable organizational learning, and enable organizational agility” (Chermack & Lynham, 2002, p. 373).

An organization can benefit from scenario planning in many circumstances (Schoemaker, 1995):

- Uncertainty is high relative to managers’ ability to predict or adjust.
- Too many costly surprises have occurred in the past.
- The company does not perceive or generate new opportunities.
- The quality of strategic thinking is low.
- The industry has experienced significant change or is about to.
- There are strong differences of opinion, with multiple opinions having merit. (p. 27)

Similar to other methods of forecasting, scenario planning involves gathering data to forecast possible future conditions. However, “scenario planning simplifies the avalanche of data into a limited number of possible states” (Schoemaker, 1995, p. 26) that allow organizational members to consider and to address them. Thus, it is in contrast with strategic planning, in which an organization develops its own plans for its future, and risk mitigation or contingency planning, in which an organization plans for a single future event that may or may not happen (for example, the computer backup system may crash). A scenario is also not a vision statement, which is an organization’s desired future state, is based on its values, and is intended to energize and motivate organizational members.

Instead, scenario planning “embraces uncertainty by identifying those unknowns that matter most in shaping the future of a focal issue” (Steil & Gibbons-Carr, 2005,
Scenario planning works best when there are a number of possible options and there is a high level of uncertainty about which options are likely to pan out. City planners may be able to develop contingency plans if this year’s rainfall amounts fail to fill the reservoir to capacity (rationing or price increases, for example). But will the city’s infrastructure be robust enough to support the city’s needs in 25 years? How will environmental conditions, upstream water usage, tax revenues, transportation, housing prices, interest rates, population increases or decreases, and water rights legislation all affect the future needs of the city? Moreover, which of those factors will be most important to take into consideration? While some data are likely to be available on many of these topics, it may not be possible to predict with certainty how those factors will interact to produce a single likely future state.

In a scenario planning process, detailed stories or narratives (scenarios) are developed that describe plausible future circumstances. “A scenario is a well-worked answer to the question: ‘What can conceivably happen?’ Or: ‘What would happen if . . . ?’” (Lindgren & Bandhold, 2003, p. 21). Scenarios contain enough detail as to be conceivable and credible, and they should be written in a persuasive enough narrative that they help decision makers visualize the future and its impacts on the organization. Scenarios contain both dramatic imagination but also thought-provoking analysis. In the city planning example above, planners might construct a scenario of what the city looks like 25 years from now, imagining a dramatic increase in the population due to the growth and expansion of three of the area’s major employers, all high-tech companies. Interest rates have remained steady, and the area’s moderate climate and attractive business environment has brought 25,000 new residents to the community, putting a great strain on the city’s infrastructure. A second scenario may predict the mergers of the area’s three employers, leading to job loss and residents moving away from the city to the south metro area where the employment climate is stable, implying that the city’s water needs will also remain stable, providing an opportunity to sell excess capacity to surrounding communities. The two scenarios describe very different future states but also the conditions to be monitored that will affect the need to take action.

While there are many variations, one recommended scenario planning methodology consists broadly of four major activities (Ralston & Wilson, 2006):

1. **Getting started.** Before any scenarios are written, a scenario planning team should be formed (usually somewhere around a dozen members who have executive support) and the group must determine the time horizon to be discussed and the focal topic of interest. The group should agree on the process and outcomes of the effort.

2. **Laying the environmental-analysis foundation.** Group members gather quantitative data about facts and trends as well as qualitative data about views of the future from organizational members. At this stage, the group explores external factors such as demographic trends, social and environmental patterns, and other economic, political, and technological concerns.
3. Creating the scenarios. The factors discussed earlier are now analyzed and compared for their predictability and influence on the organization. Three to five story lines or scenarios are written that capture the majority of the extreme future alternatives. A table compares the scenarios across several variables of concern.

Good scenarios, according to Lindgren and Bandhold (2003), have the following seven characteristics:

- **Decision-making power.** The scenario provides enough detail that decisions can be made based on the scenario coming true.
- **Plausibility.** The scenario must be realistic and believable.
- **Alternatives.** The scenario should imply options and choices, each of which could be a likely future state.
- **Consistency.** The scenario should be consistent in its own story. That is, to use the example above, proposing employment loss but income increases might need to have some explanation to make it consistent.
- **Differentiation.** Scenarios must be different enough from one another that they describe genuinely alternative situations (ideally they would be diametrically opposed).
- **Memorability.** Scenarios should be limited in number, and each should provide dramatic narrative for ease of recall.
- **Challenge.** The scenario should confront what the organization currently believes about future events.

4. Moving from scenarios to a decision. The scenario planning group and the leadership team discuss implications of each scenario, including the opportunities and threats to the organization for each alternative. Current strategic decisions are tested and debated. The group makes decisions about what actions to take and agrees on metrics and processes for communicating and monitoring the actions.

While scenario planning is simple to explain in concept, it is very difficult to do and to facilitate (Ogilvy, 2002). Facilitating a team through a scenario planning exercise also requires a healthy team in which members have “patience, respect for others, a sense of humor, a reservoir of knowledge and experience, [and] the ability to listen closely to what others have to say” (Ogilvy, 2002, p. 180). A scenario planning intervention can not only involve creative thinking about uncertain and unknown events but also require the ability to thoughtfully consider ideas and future events that are opposed to one another. Organizational members can have difficulty rationally considering a future in which, for example, the organization’s products are obsolete or unnecessary. One purpose of scenario planning is to push these options as topics of discussion.

About scenario planning, Wack (1985a) concludes as follows:

By presenting other ways of seeing the world, decision scenarios allow managers to break out of a one-eyed view. Scenarios give managers something very precious: the ability to reperceive reality. In a turbulent business environment, there is more to see than managers normally perceive. . . . It has been my
repeated experience that the perceptions that emerge when the disciplined approach of scenario analysis is practiced are richer and often critically different from the previous implicit view. (p. 150)

**Search Conferences and Future Search**

Search conferences and future search conferences are related interventions during which a broad cross-section of stakeholders meet over a short period to develop agreements and action plans to move the organization to a desired future. These techniques have been pioneered and explained in detail by Emery and Purser (1996) and Weisbord and Janoff (2000; Weisbord, 1992), with others proposing additional variations on or applications of the same concept (Axelrod, 1992; Cahoon, 2000). While there are some differences between the two formats (particularly in how the conference planners deal with conflict; see Emery & Purser, 1996, p. 215), both intervention methodologies seek to encourage commitment to a common vision of the future and to develop energy to work on the action plans that will bring about that future in a highly participative environment. We will concentrate below on how future search conferences work.

**Features of a Future Search Conference**

**Size, Length, and Subject.** A future search conference is a 2½- to 3-day meeting (with a typical size of about 60 participants) to create action plans for an issue or concern that participants share. It is not a problem-solving conference, in the sense that it is not intended to get a group together to determine how to deal with the county’s homeless population or how to reduce the cycle time for shipping of the company’s most popular product (though those may be topics for action planning later). Instead, the topic is likely to be “a future search for ABC county” or “the future of ABC company,” topics that tend to promote positive energy toward a desired future. It is also not a team-building meeting where members negotiate roles or work processes.

**Attendance.** The objective in inviting participants is to “get the whole system in the room.” A broad cross-section of stakeholders is invited to participate. A conference to determine the future of a school district may invite administrators, students, parents, teachers, staff, business leaders, and elected and government officials (see Bailey & Dupre, 1992; Schweitz & Martens, 2005). Involving multiple stakeholder groups is an important feature of a search conference, for two reasons. First, involvement leads to better input and better decisions. When participants share what they know, every participant learns something about another stakeholder group (their opinions, goals, and problems) that they may not have realized when they examined the situation from their perspective. New relationships are built. Second, involvement means that implementation is more likely because solutions already have built-in commitment from people who developed them. Extensive “selling” is less necessary. “The mayor opens one door, the grass-roots activist another, the ordinary citizen still a third. Together, they make possible a range of
commitments none could make alone” (Weisbord & Janoff, 2000, p. 66). Weisbord and Janoff (2000) recommend that 25 percent to 40 percent of the participants be from outside the organization. Most importantly, participants must care about the topic and have a stake in its outcome.

**Data Gathering and Interpretation.** The future search conference methodology approaches the task of data gathering and interpretation differently from the traditional role of the OD practitioner. Instead of the practitioner leading the data gathering and interpretation process, Weisbord remarks that “in search you have people interacting, collecting, and interpreting their own data” (quoted in Manning, 1994, p. 88). Participants may bring external data, but their own experiences tend to be the most powerful source of data. By conducting the data interpretation process themselves, participants take responsibility for managing their own content and group process, skills that will be important following the conference as groups take action without the aid of a consultant.

**Exploring the Wider Context.** The conference is designed for participants to hold a broad dialogue about their shared past and present before attempting to plan a future. In doing so, they learn how their past paths intertwine and interrelate and how they each have arrived at a particular interpretation of the present based on this foundation. With the wider context as a foundation, participants can have a dialogue about a future in which they also all will participate.

**Structure.** A future search conference involves few to no presentations, training, or speeches by top executives. Instead, it tends to follow this 3-day pattern (Weisbord & Janoff, 2000):

**Day 1 (Afternoon)**

The first theme for the afternoon is a focus on the past. Participants sit in heterogeneous groups, often with people whom they have never met. On long sheets of paper posted on the wall, participants write their experiences along 5- to 10-year time frames under three categories: “Personal,” “Global,” and a third focusing on the company, community, or the issue on which the conference is focused. Immediately, all participants are up and writing a sentence or two explaining, for example, what was happening in the company in the 1990s, in their personal life in the 1980s, and so on. All participants share something from their own experience. Back in their mixed groups, participants analyze common themes in the data and present their findings to one another. Then the topic immediately shifts to present trends that are affecting them. The activity is a “mind map,” a large graphic display of trends and their relationships to one another. As the final activity of the day, participants vote on which of the top trends they believe are most influential. In a very short time, participants have established a shared past and conducted an analysis of current influential trends. Importantly, by completing a small task together, they have also learned something about collaborating and appreciating one another’s perspectives.
**Day 2 (Morning)**

The next morning, participants are reseated into stakeholder groups (e.g., customers work with customers, suppliers with other suppliers). Now working with others with whom they share a common role, they analyze the influential trends from the previous day, and they share with the larger group what their individual stakeholder groups are currently doing with respect to the trends and what they would like to do in the future. Next, the same groups make two lists. The first list is their list of “prouds,” or those things they are currently doing with respect to the organization or focal issue that they are proud of or that are working well. The second is a list of “sorries,” those things they regret or that are not working well. By the end of the morning, the stakeholder groups have acknowledged their place in the system’s success. Because each group has admitted to its regrets as well as acknowledged its successes, groups end up on equal footing and they notice the ways in which they are interrelated.

**Day 2 (Afternoon)**

In the afternoon, talk turns to the future, and participants are again reseated in diverse stakeholder groups. Each group has a single deliverable: a creative presentation of their desired state in 10 to 20 years, often putting themselves into the future and looking back on today with the hindsight of experience. The presentations take the form of “putting on a skit or a play or writing a poem or singing a song” (Manning, 1994, p. 89). Unleashing creative forces tends to free participants’ energy from the discouraging issues and problems of the present. Participants often report that this was the most energizing, entertaining, and powerful part of the conference. After hearing each presentation, the groups develop lists of the common themes they heard, possible projects that could result, and any areas of disagreement that they have with the desired futures.

**Day 3**

The final day is devoted to developing agreements and action plans. The whole conference group reviews the lists of themes, projects, and disagreements from the previous day. Individuals and stakeholder groups face the reality of the choices they need to make about the future, and they may not be willing to support some of the identified alternatives. Such disagreements are not resolved during the conference but are placed on a list. The objective is to identify those actions, based on a common vision of the future, that groups can support. Once projects or themes are agreed to, stakeholder or ad hoc groups meet to develop short-term or long-term action plans. Participants develop postconference plans for communication and follow-up in meetings or through websites or newsletters.

Future search conferences following this structure have been sponsored in hundreds if not thousands of organizations around the world, in virtually every industry and organizational profile. In a short time, it can be an excellent intervention to
encourage groups from multiple perspectives to develop a common vision of the future. Like most other interventions, it does not work well when skeptical participants or sponsors are coerced into participation, when there are significant differences in underlying values, or when mixed stakeholder groups are intentionally not included because they are distrusted.

Quality and Productivity Interventions

The three interventions in this section that address organizational quality and employee productivity arguably suffer more from a fad mentality than do most of the other interventions discussed in this book. Total Quality Management, reengineering, and Six Sigma have all had moments of popularity as well as moments where their techniques have been assailed in both the popular and academic press. None was, strictly speaking, developed as an organization development intervention in the same traditions as we have discussed, but because change agents are frequently involved in their application, it is important for most OD practitioners to be at least somewhat familiar with them.

Total Quality Management

Total Quality Management (TQM) developed as the earliest of these three approaches, gaining widespread attention in the 1980s as a response to the quality challenges to American manufacturing coming from Japan. TQM uses quality principles and tools to manage and improve processes through employee involvement in teams. Quality, in this respect, is not just the responsibility of manufacturing products that are error-free. Instead, quality is everywhere. “Total quality management can be defined as creating and implementing organizational architectures that motivate, support, and enable quality management in all the activities of the enterprise” (Heilpern & Nadler, 1992, p. 138). However, there is much variation in what TQM means and a number of highly specialized tools and techniques that many consider to be part of a TQM effort, including the following:

- Practices such as benchmarking, continuous improvement, Kaizen, concurrent engineering, just-in-time, empowerment, Poka-Yoke, micro process control, cycle time, flexible manufacturing, lean production, customer focus, value added, suppliers as partners, cross-function networking, statistical process control, and total system control. Since TQM means so many different practices, TQM means different things to different consultants. (Boje, 1993, pp. 4–5)

TQM involves systems thinking (as we discussed in Chapter 4), where customers receive the output of the organization’s inputs and process steps. In TQM, processes are systematically measured using statistical techniques, called statistical process control (SPC), to chart the accuracy and productivity of each process.
Problems are examined and solved using specific analysis techniques. Not only does TQM require significant training for employees to learn these techniques, but it requires a cultural shift in many organizations to consider the impact of every process on customer quality, with every employee taking ownership and responsibility for quality. In addition, management processes, including measurement tools, rewards, and communications, are all impacted by the adoption of a TQM mentality. Effectively implementing a TQM program can take 5 to 7 years (Heilpern & Nadler, 1992).

TQM comprises five basic activities (M. Adams, 1992):

1. **Identify customers and what they value at all levels.** The top management team must support the quality effort in the organization and should meet regularly with top and potential customers to assess the organization's products and services. Moreover, TQM also emphasizes meeting the needs of internal customers, for those departments that serve others internal to the organization, such as finance or human resources.

2. **Identify products and services provided.** Customers should be asked which products or services they value, how they use those products or services, and what improvements would make the product or service even more valuable.

3. **Define processes.** Flowchart techniques are used to document the actual process in use today, with all its flaws, including rework, testing, and quality checks. Employee teams can document processes and point to common problem or errors in the process.

4. **Simplify the process.** Like quality circles, ad hoc cross-functional employee teams can take ownership for process improvement activities as those closest to the action. Unnecessary process activities can be combined with others or eliminated to streamline the number of steps required.

5. **Continuously improve.** Incremental process changes can be made regularly when data from SPC charts and root cause analysis tools prove that there is a fault in the process. SPC charts show the standard variations in the process so that when a process exceeds these levels, action can be taken to understand and correct where errors are occurring. Management must rely on data (such as quantitative charts) to make decisions rather than making decisions on a hunch or best guess.

Critics of TQM point to its high failure rate (about three quarters of implementations fail to live up to their expectations, according to Spector & Beer, 1994), the wide gap between its “rhetoric and reality” (Zbaracki, 1998), and presumptive packaging as an employee involvement strategy masking a mechanism for management control (in the footsteps of Taylorism) through statistics (Boje & Winsor, 1993). Supporters, however, point to significant improvements in organizations that have used the TQM approach, documented in the annual Malcolm Baldrige Quality Award competition.
Reengineering

Hammer and Champy’s (1993) book *Reengineering the Corporation* argued that management fads and quality efforts had done little to improve productivity and profitability in corporations. They pointed out that in most organizations, there exist tremendous inefficiencies caused by organizational structures that segment research and development, engineering, manufacturing, shipping, customer service, and more into distinct divisions that may each be successful but at the expense of another department. Rather than make small incremental changes to existing processes (such as small technology improvements that could save a few hours or dollars in manufacturing or shipping), companies could save more time and money by rethinking and restructuring entire operations. As an example, they pointed to a company that reengineered its credit processes so that instead of separate departments handling applications, credit checks, writing loans, and so on, one person would follow the request through the entire process. By involving fewer departments and giving one person the responsibility to manage the process, cycle time was reduced considerably. Hammer and Champy write that reengineering is not the same as automation, downsizing, or reorganizing; rather, it is a rebuilding process where entire organizational operations are created anew. The reengineering movement touched off by Hammer and Champy’s book continues today, sometimes under the moniker of business process reengineering (or redesign; BPR), though today it does often involve new technology and downsizing.

Reengineering efforts comprise a leader, a process owner, a reengineering team, and an overall reengineering steering committee and “czar” (who oversee all of the organization’s reengineering efforts). The organization’s major processes are defined and mapped to understand the work currently being done. Three criteria help the team determine which processes are ripe for reengineering: processes that are not working as they should, processes that affect the organization’s customers, and processes that would have a high impact if redesigned. Once the organization has chosen a process to be reengineered, it is the responsibility of a reengineering team to remove barriers, create new process steps, develop new job roles, shift responsibilities, or consider any of a number of other possible changes. They consider how to implement core reengineering principles such as “as few people as possible should be involved in the performance of a process” (Hammer & Champy, 1993, p. 144).

The reengineering movement is related to and consistent with the widespread belief in OD to think both structurally and systemically about larger organizational processes and practices rather than improvements in a single department or system. However, there are also important value conflicts with OD. The primary values of reengineering tend to be about organizational profitability and process control rather than participation (Moosbrucker & Loftin, 1998). Hammer and Champy (1993) note that two major flaws with most reengineering programs are that they let the corporate culture stall the effort and they fail to run the program from the top down, with the result that “frontline employees and middle
managers are unable to initiate and implement a successful reengineering effort” (p. 207). Consequently, when pushed through without involvement from those affected, many reengineering efforts have failed to manage major transitions. As an outcome, OD practitioners have found that reengineering efforts that have in the past resulted in downsizing, rightsizing, or other euphemistic terms for layoffs often color how organizational members approach reengineering interventions (Church, Burke, & Van Eynde, 1994), which has led to significant employee dissatisfaction. This has prompted many observers to call for integrating OD values and processes (such as participation, open communication, employee involvement, and shared leadership) with the potentially significant improvements gained through reengineering programs (Cheyunski & Millard, 1998; Moosbrucker & Loftin, 1998).

**Six Sigma**

Six Sigma grew out of quality improvement initiatives at Motorola in the late 1980s, and it gained popular attention when Harry and Schroeder (2000) published a book by the same name. Motorola executives were convinced that they could develop higher quality products at a lower cost, a proposition that has been proven over and over through many Six Sigma projects. Within 4 years of implementing the Six Sigma program, the company calculated that it had saved $2.2 billion in productivity increases and cost reductions. It has been used by companies such as GE, AlliedSignal, Ford, Sony, and many more.

The term six sigma has two meanings. The first is as a statistical measure; the second is as a business process improvement initiative that uses statistical methods or strives for Six Sigma–level performance. As a statistical measure, six sigma (6s) refers to the existence of fewer than 3.4 “defects” for every 1 million opportunities. Most processes operate at about a 3 or 4 sigma level, or approximately 10,000 to 60,000 errors for every 1 million opportunities. For example, at 4s (99 percent accuracy), the post office would misplace about 20,000 pieces of mail per hour. At 6s, it would misplace seven.

Six Sigma also refers to projects that are undertaken to measure and improve an organization’s processes. Six Sigma is also built into the infrastructure of the organization through the establishment of several important roles, called champions, master black belts, black belts, and green belts. Black belts and green belts lead improvement projects, whereas champions and master black belts remove obstacles and provide support and mentoring. Black belts work with green belt team members to apply quality tools to specific problems to drive financial savings and productivity improvements directly to the organization’s bottom line. The quality tools used in Six Sigma look much like those that have been around in other quality programs for years. The difference, according to Harry and Schroeder, is that Six Sigma stresses the application of these tools and diligently questions existing work processes to result in a dramatic, measurable impact to the bottom line.

To implement and sustain a Six Sigma program, Harry and Schroeder (2000)
write that it takes three steps:

1. **An honest assessment of the organization’s readiness to implement Six Sigma.** This includes an assessment of strategic direction, the chances of meeting financial and growth goals, and the organization’s ability to adapt effectively and efficiently to new circumstances. Will the company culture (including executives, managers, and employees) expend the necessary energy and provide commitment?

2. **Willingness to expend the needed resources.** There are direct and indirect financial impacts to launching a Six Sigma program. Direct and indirect payroll costs include the number of people dedicated to the effort full-time and the time devoted by executives, team members, and process owners to measuring and improving processes. There are significant training costs as well.

3. **Reflection on the objectives, scope, and timeframe for the program.** This includes an assessment of what the organization wants to accomplish in which areas in what time period, and whether it is appropriate to implement a pilot program in one area, or in the entire organization at once.

Total Quality Management, reengineering, and Six Sigma all aim to improve customer satisfaction and productivity through process improvement efforts. With each program, critics have pointed out that its popularity has waned as improvements either failed to materialize or were short-lived. Yet most agree that this failure is not due to the programs themselves. Their failure, in many cases, has been due to practitioners’ neglecting to think of the program as an organizational change intervention, with all of the associated cultural and stakeholder challenges we have discussed in this book. In this respect, many observers believe that OD principles have much to offer the quality movement.

**Interventions in Mergers and Acquisitions**

It has been estimated that anywhere from 50 percent to 75 percent of all mergers and acquisitions fail to achieve their financial or strategic objectives (Marks, 2002; Marks & Mirvis, 2001; Nahavandi & Malekzadeh, 1993). Despite the negative press of a low success rate, merger and acquisition activity increased substantially in the 1990s and 2000s (Daly, Poudre, & Kabanoff, 2004; Tetenbaum, 1999). The mergers of HP and Compaq, Daimler and Chrysler, and Exxon and Mobil all grabbed headlines, and each has faced its challenges.

Simulated experiments (see Weber & Camerer, 2003), empirical studies (see Daly et al., 2004), and case studies of mergers (see Horowitz et al., 2002) all attest to neglected cultural factors and incompatible cultures as primary reasons why mergers do not live up to their expectations. More than 40 years ago, Blumberg and Wiener (1971) noticed that “the financial and economic components of mergers are part of a total mix of problems that includes such things as expectations about norm development, role changes, leadership style, decision-making processes, and goal
orientation” (p. 87) but the latter categories rarely get the majority of the attention. It seems that not much has changed in this respect over time. Organizations tend to invest time, money, and energy in initial due diligence activities, such as assessing strategic fit, evaluating financial models, considering possible market and customer reactions, and contemplating product roadmaps, but tend to invest relatively little in understanding the merger’s possible impact on people (Tetenbaum, 1999), unlike the rare example that opens this chapter. This has been true despite the fact that many executives increasingly recognize that successful merger and acquisition integration depends fundamentally on people (Cartwright & Cooper, 1993). Executives may examine the financial and strategic aspects of an acquisition because they may be less amenable to change, while culture and people issues are assumed to somehow fall into place.

In many mergers in today’s knowledge and service economy, effectively integrating the acquiree’s employees is as important as acquiring customers and intellectual property. Failing to appropriately integrate them often means that the most talented never identify with the target company and eventually leave—in fact, up to 75 percent of senior managers tend to leave within 3 years unless specific efforts are made to integrate them effectively (Tetenbaum, 1999). Despite the popular “120-day plans” or “business as usual” mantras, mergers cause significant disruption. The political reality can quickly become apparent—even the dominant focus of attention—as employees and managers in both organizations begin to jockey for new roles and opportunities in the new structure. As employees worry about their job security, whether they will have the skills to be successful in the new company, whether compensation and benefits will be comparable, and whether they will feel comfortable with the new corporate identity, productivity and morale often suffer serious declines (Holbeche, 2006).

When two organizations come together, culture clashes can occur on a variety of dimensions, such as whether the two companies match or differ with respect to the following:

- Consensus decision making or autonomous decision making
- Risk taking or risk averse
- Formal or informal
- Emphasis on rapid agreement or on thorough analysis
- Emphasis on standard rules or on flexibility
- Emphasis on centralized corporate control or on regional control
- Hierarchical or egalitarian structures
- Long-term orientation or short-term orientation
- Preference for face-to-face or e-mail communication

Successfully integrating two cultures requires significant work even before merger and acquisition agreements are signed. In each phase of the merger and acquisition process, leaders should devote some attention to cultural issues.

1. **Precontract stage.** In the precontract stage, “human due diligence” (Harding & Rouse, 2007) requires cultural assessments of both the acquiring company and
the company being acquired. As Deetz et al. (2000) write, “Before an organization should even consider merging with another, it should take stock of its own corporate philosophies, goals, and visions” (p. 175). Knowing one’s own culture will help to identify blind spots or potential problem areas in an acquisition. Likewise, the acquiring company should know what strengths and weaknesses exist in the target company’s culture. For example, an organization with a strong culture for innovation and problem solving, where organizational members distrust solutions not invented by members of the organization, may have trouble merging with another like-minded culture if organizational members distrust the newcomers. Harding and Rouse (2007) also recommend evaluating the top management’s structure and function, and management and decision-making processes, and to examine the skills and capabilities of the target organization’s top teams and individuals. These facts can aid in determining whether the acquisition is a good idea at all. Some organizations that take cultural due diligence seriously actually walk away from acquisition deals when their assessment indicates that the integration would be so difficult and argumentative due to cultural factors it would not be worth it (Tetenbaum, 1999). This level of assessment can be difficult, especially for confidentiality reasons, because the OD practitioners or human resources department are often left out of the early stages of negotiation and due diligence.

Transition to the new culture begins the moment the deal is announced. Executives, managers, and the integration team should be prepared for and plan for employee responses to the shock of the acquisition announcement. Communication plans should include the delivery of messages in person (Deetz et al., 2000), frank discussion of the challenges of integration (Marks & Mirvis, 2001), two-way dialogue to allow employees to express their own concerns and ideas, and education about the acquiring company to ease the transition to a new cultural and organizational identity.

2. *Postcontract, “combination phase.”* Once the merger or acquisition is announced and employees of both organizations can begin discussing it in the open, they can further explore cultural attributes of both organizations and develop what Trompenaars and Prud’homme (2004) call a “cultural gap analysis.” An integration team can be the focal point for such an effort.

Many authors recommend that effective merger integration should be handled by an integration team formed by executives, managers, and employees of both companies. The job of the integration team will be to handle the daily decisions and actions needed to effectively bring both organizations together, and it should be managed by a respected leader who can resolve conflicts among integration subteams. Tetenbaum (1999) also recommends that the integration team have a cultural leader who has strong skills and a high level of knowledge of organizational culture.

The level or type of acculturation should be an explicit topic of dialogue, however difficult it may be for the team to discuss. Nahavandi and Malekzadeh (1993) write of four acculturation scenarios:

- **Assimilation.** This occurs when the acquired company relinquishes its cultural practices and adopts those of the acquiring company.
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• **Integration.** The acquired company and acquiring company both retain and also both relinquish aspects of their cultural identities, perhaps sharing cultural elements between them.

• **Separation.** The acquired company retains most of its original cultural attributes, frequently remaining as a division or stand-alone part of the acquiring company.

• **Deculturation.** The acquired company gives up its cultural attributes but is unwilling to adopt those of the acquiring company, usually leading to dissolution of the old organization.

Nahavandi and Malekzadeh write that in acquisitions of stronger cultures, integration and separation are more effective strategies, but assimilation or deculturation are likely to be more successful when acquiring a weak culture. Often, integration teams claim to be doing a cultural integration out of respect for the target company, when their actions point to a cultural assimilation strategy. In addition, employees of the target company may be unwilling to abandon their previous culture, no matter how much the integration team would like them to do so. Cartwright and Cooper (1993) write that “many mergers and acquisitions fail, or develop often avoidable problems from the outset, because one of the parties does not recognize, share, or accept the other’s perception of the marriage terms” (p. 65). Honest conclusions and communications about the acculturation scenario will help the integration team make appropriate integration decisions and will help the team maintain credibility with employees of both organizations.

3. **Postcombination.** Once the two organizations are legally combined, it is common for the integration team to quietly disband, declare the organizations integrated, and ask members to return to their former jobs. As Buono (2003) notes, “Pre-combination transition planning teams continue to be disbanded too early” and “far too many organizations continue to treat the merger and acquisition process as an engineering exercise . . . rather than a far more chaotic set of events that readily affect people’s lives and future prospects” (p. 91). This may be because many observers note that a long, drawn-out integration is likely to result in long-term ambiguity and confusion. This is unfortunate, however, because this is where the cultural integration work truly begins, as new teams need guidance and support in team formation activities and learning to cope with the cultural challenges ahead. Such integration work can take up to 2 years or longer, depending on the size and difficulty of the acquisition, and without an integration team to provide resources and attention to integration activities and challenges, managers have few avenues for support. Research suggests that leadership turnover will increase threefold after an acquisition, complicating the continuity often needed in a turbulent circumstance (Krug, 2009).

Several activities can help to make transitions easier. For example, communications should continue following the effective acquisition date to support employees in their adoption of the new culture, continuing to provide education on the organizational vision, strategies, and goals.

Successfully integrating two cultures requires significant attention and dedicated resources. Cultural analysis of both the acquired and acquiring companies in the early stages of the combination can provide valuable information about the
subjects in the integration that are likely to be contentious and most challenging. It is likely that regardless of the acculturation strategy, because there are so many cultural attributes of any organization (as well as its myriad subcultures) cultural conflict is probably unavoidable. It is possible, however, to be attuned to the dimensions and degrees of cultural difference so that potential conflicts can be better understood, and managers and employees can be prepared for what to do when it happens.

In the postcombination phase, attention must be given to how the merger evolves at the team and department level for the organization to achieve the value desired from the combination. Galpin and Herndon (2008) report the results of a study of executives from 21 different industries who had experienced a merger or acquisition. Almost half of respondents (49 percent) reported that their organization was in need of “merger repair—that is, my company has several operational, productivity, service, and/or performance issues resulting from poorly conducted M&A integration efforts” (p. 7). As Marks and Mirvis (1992) rightly and candidly assert, “Post-merger malaise begins the day top executives declare that the merger is done” (p. 19). Far from being an ending, the day one legal formalities are really the beginning of the challenges to come in integrating individuals, teams, departments, and organizations. Table 12.1 lists a number of the common problems that occur during the postcombination, or integration, phase. In the next section, we will explore the diversity of OD interventions that can help at these four levels of integration.

### Organization Development in M&A Integration

The quantity, diversity, and complexity of challenges in an acquisition demand that the OD practitioner identify an equally diverse set of practices to match. Some practitioners prefer to focus on the areas of incompatibility in organizational cultures, whereas others immediately focus on the challenges of individual transitions. The OD practitioner who insists on a single approach—either an individual, team, or whole organization intervention—will fail to appreciate the importance of integrating employees at multiple levels and targets. What is unique to OD interventions in acquisitions is the need for a combination of approaches to target the diversity of challenges that exist at these multiple levels.

In early stages of the integration, OD practitioners should consider conducting organization assessments and sensing surveys as data gathering mechanisms to help identify sources of conflict and prioritize these interventions. Questions should address potential trouble signs at each of the following target levels to enable the practitioner and client to select and customize appropriate interventions that match the organization’s particular needs. Beard and Zuniga (2006), for example, explain the development of a culture assessment that provided an integration team with guidance on the most appropriate interventions.

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Target 1: Individual Integration

Repeatedly over the past 20 years of research, M&A activity has been noted for the significant psychological stress it places on employees, described variously as a sense of loss, anger, anxiety, uncertainty, and grief. Individuals experiencing these emotions are likely to exhibit increased conflict, low motivation, and greater mental and physical illness, while for the organization this translates to absenteeism, turnover, and low productivity, among other outcomes (Cartwright & Cooper, 1993; Seo & Hill, 2005).

Early on in the acquisition process, concerns are naturally very personal: “People’s first reaction to a merger is to think of their own interests: They become preoccupied with what the deal means for their jobs, livelihood, and careers” (Marks & Mirvis, 1992, p. 20). Once the “survivors” are confirmed, at a similarly very basic level the logistics of the job become important. Technology, facilities, telephones, badges, signage, and business cards have the potential to easily disrupt productivity if not handled accurately and swiftly. Policy and procedure questions that were once routine and mundane to answer are now time-consuming and disruptive to address. Employees’ time and attention are thus directed away from everyday work activities to solving basic problems of getting set up with basic needs and finding answers to their procedural questions. More dangerous to the integration process, however, is the natural tendency for employees to respond to the vacuum of information by returning to familiar ways, old processes, tools, and systems. In this respect, one very obvious barrier to individual integration is poor handling of onboarding and orientation activities.
Interventions for Individual Integration

“Focusing on the individual earlier in the due diligence process can yield significant long-term benefits,” writes Tim Merrifield (2006, p. 11), reflecting on his experience with research and development talent integration at Cisco. Seo and Hill (2005) identify a number of prescriptions to help individuals cope with the stress of individual transitions, including counseling and social support, disengagement efforts, or grieving meetings in which individuals can share feelings of uncertainty and anxiety with others experiencing similar emotions, and two-way communication with leaders. Not all communication is useful, however. In particular, in one study of information adequacy during a merger, researchers found that communication sessions promoted job satisfaction only when the communication sessions were carefully designed and concerned matters employees were truly anxious about (such as how decisions are made and what aspects of their jobs will be changing; Zhu, May, & Rosenfeld, 2004).

Collective socialization tactics (such as those that occur in onboarding sessions, new employee orientations, and new manager orientations), in which employees and managers participate in group learning, provide opportunities to socialize with peers. Such activities have been shown to increase embeddedness (i.e., increased connections to the job and organization) and reduce turnover among newcomers in at least one study (Allen, 2006), though this study did not focus on acquisition onboarding specifically.

Target 2: Team Integration

As new teams form following an acquisition, managers and team members “have to face the consequences of high-level decisions about work-unit charters, structures, and systems” (Marks & Mirvis, 1992, p. 21). Newly acquired employees may not understand the purpose, goals, or direction of the new team or their role on it. The team’s charter or mission may have changed due to the acquisition as well, and even existing (pre-acquisition) team members are likely to have questions about their responsibilities and how the new team members will fit with existing roles and processes. The result can be long and unproductive cycles of trial and error, where team members struggle to determine who makes what decisions, miss important handoffs, duplicate work unnecessarily among team members who do not understand or respect one another’s roles or responsibilities, or engage in ineffective communication patterns.

However, managers often fail to recognize that even comparatively small transitions in team membership (just one or a few members joining or leaving) will change team dynamics, as members question what will happen to the work that a departing member used to do, or what role the new member(s) will play. Managers, perhaps pressured to get on with the team’s tasks, tend to throw new members into the team and expect them to pick things up as time goes on. Since both new and tenured team members are working through Bridges’s (1980) classic stages of endings and new beginnings (as we discussed in Chapter 10), failing to pay conscious attention to the transition will slow down the team integration process.
Interventions for Team Integration

We already discussed a number of team interventions in Chapter 11, so there is no need to duplicate them all here. In an acquisition, it may be even more important to conduct team interventions early on in the life of the team in order to clarify changes in team membership, goals, purpose, roles, and expectations about team norms such as meetings, decision making, leadership, and communication. One intervention in particular—team start-up or transition meetings—can be effective in an acquisition to start teams off quickly and can increase acquired employees’ identification with their new teams.

Target 3: Cross-Team/Department Integration

Recent research confirms that the longer a group has been together, the greater the feeling of loss of the historical identity, the greater the resistance to a merger or acquisition, and the more actively members will work to protect and maintain the former identity (Jetten & Hutchison, 2011). Interestingly, participants in that study felt less resistance when they were allowed to retain their pre-merger group names. Similarly, Colman, and Lunnan (2011) found that strong identification with a former company increases employees’ resistance to new processes and approaches they are now more likely to see as substandard. These findings underscore social identity theory (Tajfel & Turner, 1985) that proposes that a significant part of our identity is developed and shaped by the social groups to which we belong.

The pragmatic advantages of this identification, of course, are that team members that hold a strong sense of team identity are more likely to engage with fellow team members in team goals to achieve shared outcomes. In a merger or acquisition, however, this same sense of ingroup identity can have “tribal” consequences as fighting between internal teams overtakes cooperation. McGee-Cooper (2005) notes that in an acquisition, “new hires and old hands face off. The company treats new people as foreign and ‘dangerous’ as the tribe closes ranks to defend against new ideas and cultural differences” (p. 14). Much research attributes inter- and intrateam conflicts to cultural differences, which “tend to grow into aversive feelings in situations of direct confrontation, sometimes triggering a vicious cycle” (Bijlsma-Frankema, 2001, p. 194). Rather than working cooperatively in the new organization, teams or functions now see themselves as pitted against one another in competition, a phenomenon that may become even more prevalent when organizations structure the acquired company as a stand-alone entity or choose to maintain the acquired company’s old department structures in the new company. The addition of new functions, bolted on to the pre-acquisition structure (for example, a new product engineering group) may now create confusion about which department handles which tasks, how charters overlap, where tasks intersect and handoffs must occur, where power lies in decision making, or how information is to be shared between divisions.

In addition, leaders of the new organization must reflect a common understanding and shared commitment to the strategies, plans, and goals of the combined organization. This highlights the importance of relationships among the
leadership and management community where these issues can be openly shared, discussed, and decided. For the acquired manager, challenges exist in communicating to the division when employees require information about transitions from old to new. One study noted that acquired managers face a contradictory role in which they have to maintain old processes, networks, and relationships but simultaneously adapt and negotiate these in a new context (Chreim & Tafaghod, 2012). Chreim and Tafaghod (2012) found that a critical factor in acquisition integration success for these managers was the quality of the relationships among acquired and acquiring managers. In successful integrations, managers had positive, constructive, and frequent interaction, whereas those integrations that were unsuccessful were marked by new–old manager relationships that displayed either apathy or counterproductive interaction.

Interventions for Cross-Team/Department Integration

First, OD practitioners can aid leaders in managing intergroup conflict between intact teams that existed prior to the acquisition and newly acquired teams. Organization mirror activities (where perceptions of similarities and differences between groups are thoughtfully exchanged in a facilitated session), joint problem-solving workshops, and microcosm groups (where a subset of members of each group negotiate solutions to process problems) can all be effective in increasing intergroup contact and reducing stereotypes of other teams. To help organizational members learn to work more effectively together, Tetenbaum (1999) recommends that a superordinate goal be established that requires employees from both organizations to collaborate (as we discussed in Chapter 11). As you know, intergroup contact alone is not likely to reduce conflicts, but it can do so when the teams develop a shared ownership of a goal to which they are both committed. Leaders of both groups can agree on a combined strategy, facilitated by OD practitioners skilled in strategic planning and goal setting.

Leadership development activities can provide leaders and managers with increased skills in managing cross-functional challenges. Following Adobe’s acquisition of Macromedia in 2005, cross-team collaboration became critical as the integrated company sought to increase its leadership skills to compete in new markets. Morris (2009) outlines the development of the Adobe Leadership Experience that set expectations for both pre- and postacquisition leaders with a common set of leadership attributes and values. Leadership development sessions, including the assignment of a “buddy” system for acquired and acquiring managers, can also provide opportunities for increasing networking and management contact.

Target 4: Organizationwide Integration

In large acquisitions, before the legal combination takes place, it is common for leaders and the transition team to determine how the organizations will be operationally combined. This includes an initial set of decisions about how processes will be integrated, which employees will be retained and which will not, how
reporting relationships will be structured, and much more. Barkema and Schijven (2008) note that this stage typically demands more decisions to be made than the organization can optimally handle. As a result, some decisions are quickly made on a pragmatic basis (e.g., “We’ll just leave the two different product maintenance organizations intact”).

In the integration stage, as the organization’s capacity to address these issues increases, new information usually comes to light that provides more data for effective decision making. (Overlap between the two product maintenance organizations now becomes increasingly apparent.) This research suggests that continual monitoring and adjustment following the close of the combination is a key competency in achieving a successful merger or acquisition. Indeed, Barkema and Schijven (2008) note that “acquirers are typically unable to optimally integrate acquisitions the first time around” (p. 702) and that “restructuring plays an important role in more fully realizing the potential of the firm’s acquisitions” (p. 715). Importantly, they note that postacquisition decisions about organization design are not a “one-shot game, but a process that extends far beyond” initial integration efforts (p. 715). During the integration process, new capabilities or opportunities may be realized that require leaders to rethink previous decisions about the organization’s design to truly realize the benefits of the acquisition.

Interventions for Organizationwide Integration

Organization design work early in the process and in the years following the acquisition is important. Jasinski (2010), writing about MetLife’s organization design and acquisition process, argues that “sound organization design, applied from early in the acquisition process through implementation, can be an effective catalyst for ensuring that the structure, process, governance, metrics, and people are optimally configured and aligned to fulfill the strategy of the newly integrated organizations” (p. 6). Supporting the research findings above, in the MetLife process “organization design activity peaks during M&A integration planning, subsides after integration, and then spikes later as the longitudinal effects of the design are observed and adjustments are indicated” (p. 9).

As day-to-day integration challenges fade in the months following the acquisition, leaders are likely to ask, for example, “Where are we failing to see value from this acquisition?”, “What untapped potential remains?”, and “What might the next step be in our evolution?” These broad questions are likely to force them to rethink strategies, reporting structures, processes, and more. Skilled OD practitioners can work with leaders to help them through organization design questions in a structured process. Questions about the future and the organization’s vision of it can imply the benefits of participative, large group interventions that can engage employees from both the acquiring and acquired organizations.

Table 12.2 summarizes just a few of the interventions mentioned in this section. This is by no means an exhaustive list of the kinds of problems that can occur at these levels, nor is it a comprehensive list of OD interventions that practitioners might use to address them. Because of the complexity of mergers and acquisitions,
organization development practitioners can add maximum value to the integration stage of mergers and acquisitions through a diversity of approaches that address multiple targets—maintaining attention simultaneously on the development of individuals, teams, departments, and the organization as a whole in what clearly involves a high-touch, resource-intensive effort. One possible approach would involve forming a combined OD team, composed of practitioners in both the acquired and acquiring organizations, to collaborate. Practitioners with expertise in each organization and target area can join forces to develop a comprehensive postintegration organization development strategy. This approach has the benefit of putting the practitioner team in the shoes of the clients they are working to support (forming a team, negotiating roles and processes, observing cultural differences, and collaborating across organizations), allowing the practitioners to experience similar challenges to those of their clients.

### Dialogic OD Interventions

Recall that in Chapter 5 we reviewed an approach to OD that carries with it different underlying and foundational philosophical assumptions from traditional OD. As you might expect, dialogic OD interventions look different from and are facilitated differently from traditional OD interventions. In dialogic OD, interaction and conversation are the priority, and participants are given ownership and responsibility to bring up the issues and topics that matter most to them. In most dialogic OD

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<td><strong>Goal</strong></td>
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<td>Support employees through acquisition stress and foundational needs, and develop employee engagement</td>
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interventions the facilitator and client may not even know what topics will come up during the intervention, making them feel somewhat less structured or planned than other interventions. Ultimately, as Bushe (2013) puts it, in dialogic OD

the design of the change process has to ensure that two key things happen:
1. The people who will ultimately embody and carry out the change are engaged, along with leaders and other stakeholders, in discussing what changes ought to occur, [and] 
2. Members self identify, individually and in groups, the changes they want to take responsibility for. (p. 14)

The format of a dialogic OD intervention is designed to create these conditions.

Here we will address the practitioner role in dialogic OD, share examples of dialogic OD interventions, and discuss how practitioners successfully introduce dialogic OD practices.

Role of the OD Practitioner in Dialogic OD Interventions

One important difference in dialogic OD and diagnostic OD is the role of the practitioner. As you know, in diagnostic OD the practitioner plays a principal role in gathering information about the system, feeding it back, and facilitating interventions designed to change the system. In dialogic OD this role takes a different perspective as the consultant role is more about acting as “a facilitator of events and constructor of a container within which client systems engage themselves rather than being a central actor in diagnosis, intervention, and/or facilitation of interpersonal and group interaction” (Bushe & Marshak, 2009, p. 358). Some have described this role as a “planner and designer” of events whose responsibility approaches that of “convening or hosting” (Bushe, 2013, pp. 15–16), creating the right conditions for a community of engaged participants to arrive at their own interpretations and organize their own outcomes. Marshak and Heracleous (2005) also observe that in a dialogic approach to OD, the facilitator must take “a discursive orientation to organizational phenomena” to make “real-time process observations, interpretations and interventions” (p. 75). Sometimes this means that the agenda, discussion topics, and consulting process emerge as “in the moment” consulting opportunities (Marshak, 2013b) where the practitioner can articulate observed patterns of discourse as they occur.

Where traditional facilitation techniques might encourage participants to deal with problematic conflicts and come to a set of final conclusions about what actions to take, dialogic OD facilitation might encourage participants to hold off on final conclusions but instead experiment with questions that encourage thinking about future-oriented possibility. Imagine the difference between asking the questions “What actions will reduce absenteeism?” and “What is the practice of people feeling well at work?” or “What kind of leadership creates, sustains, and develops healthy habits?” (Storch & Ziethen, 2013, p. 26). The right question is important in setting the stage for the right conversation.
In the events that are convened in dialogic OD practice, practitioners create “a time and space where normal, business as usual ways of interacting are suspended so that different, generative conversations can take place” (Bushe, 2013, p. 15). These events may involve dozens or hundreds of people, so the job of the facilitator is to create the conditions for the community to freely converse about issues and perspectives in a way that generates energy for action. Facilitators help to involve and invite the right people to attend, frame the questions that will guide the conversations in a helpful way, and seek the balance between a loose enough structure that invites multiple interpretations and one that guides the group to action.

Examples of Dialogic OD Interventions

We have already reviewed examples of dialogic OD interventions in this book: appreciative inquiry, described in Chapter 11, and future search, search conferences, real-time strategic change, and Workout, described earlier in this chapter. In addition, World Café and Open Space Technology are two frequently cited examples of dialogic OD interventions. Here is a brief description of how each works:

**World Café**

World Café is an intervention designed to bring large groups together in the discussion of issues important to them, based “on the assumption that people already have within them the wisdom and creativity to confront even the most difficult challenges” (J. Brown, 2005, p. 4). World Café makes use of the principle that in everyday organizations, we self-organize as we bring new colleagues into conversations, debating ideas, sharing knowledge, challenging thinking, asking questions, and persuading others. World Café takes seriously the idea that an organization is an “evolving web of conversations” (J. Brown, 2005, p. 11) and it encourages groups to foster these networks as they explore a common issue of concern.

In groups composed of as few as 12 to hundreds, participants sit at small tables of just 4–5, perhaps adorned with a tablecloth, flowers (as in a café), and paper to draw on, to discuss a focal question that guides the group’s conversation. Examples of focal questions include “What opportunities can we see in this situation?”, “What assumptions do we need to test or challenge in our thinking?”, “What would it take to create change on this issue?”, and “If our success was completely guaranteed, what bold steps might we choose?” (J. Brown, 2005, p. 173). After a 20- to 30-minute conversation, most of the participants rotate to new tables to begin new conversations with new table members, though one table member will remain behind as host to explain the previous conversation to the new participants. After a few rounds, patterns begin to emerge in the conversations and the larger group is reconvened to share these discoveries.
World Café is based on seven integrated design principles (J. Brown, 2005, p. 174):

- Set the Context
- Create Hospitable Spaces
- Explore Questions That Matter
- Encourage Everyone’s Contribution
- Cross-Pollinate and Connect Diverse Perspectives
- Listen Together for Patterns, Insights, and Deeper Questions
- Harvest and Share Collective Discoveries

By engaging participants in conversations on significant issues and multiplying these conversational insights through rotations, participants build on one another’s ideas, which sets the stage for collective insights to emerge and actions to take place. There are many methods for the individual tables to present and acknowledge their insights about the collective contributions, but the important point is that as they do so, a greater awareness of the whole group emerges.

Open Space Technology

If you have ever been to a large conference where you enjoyed networking with many attendees, or participated in a workshop where the issues to be discussed were heated, you might have noticed the common feeling that the coffee breaks are the most enjoyable, productive, and useful part of large-scale gatherings. This observation was the genesis of Open Space Technology, a meeting design that is often used when

a diverse group of people must deal with complex and potentially conflicting material in innovative and productive ways. It is particularly powerful when nobody knows the answer and the ongoing participation of a number of people is required to deal with the questions. (Owen, 2008, p. 15)

On the contrary, Open Space is inappropriate for situations where a decision has already been made.

Seated in a circle, participants generate ideas to address a focal question or topic of the gathering, such as “What opportunities do we have to improve our customer service?” or “What can we do to create a more vibrant downtown environment in our city?” These ideas are written on sheets of paper and posted on a wall for everyone to see, and a volunteer agrees to take a topic and convene a group of attendees who are also passionate about it and willing to take some responsibility to work on it. A time and location for the topic is announced, and anyone interested will be present during that point in the meeting to discuss it, debate solutions, and generate actions. They may combine the topic with another, divide the subject into subtopics, agree to meet again, or dissolve the group and do nothing. The attendees have ownership of what happens at this point.

You might be thinking that this sounds like a very fluid and flexible design, and indeed this is the case, as participant empowerment and opportunities for participation are more important than the facilitator or client retaining control over
interaction. Open Space operates with a set of values called Four Principles and One Law. These principles remind both participants and facilitators that voluntary participation increases the quality of the discussion and that progress depends on whatever willing participants show up, no matter when the meeting starts or how long it lasts. The Law of Two Feet is intended to give everyone the freedom to move to another discussion where they find they may have more interest, passion, or commitment.

<table>
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<th>Four Principles of Open Space</th>
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<tr>
<td>1. Whoever comes is the right people.</td>
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<tr>
<td>2. Whatever happens is the only thing that could have.</td>
</tr>
<tr>
<td>3. Whenever it starts is the right time.</td>
</tr>
<tr>
<td>4. When it’s over, it’s over.</td>
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<table>
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<tr>
<th>One Law</th>
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<tr>
<td>The Law of Two Feet</td>
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Owen (1997) writes that Open Space is a “bare bones” method of facilitation that takes seriously the desire for individuals to organize themselves, and that the facilitator, client, and participants must have faith in the process to reach the outcomes desired. When the conditions are right, Owen (2008) writes, “the people involved find themselves excited, energized, and ready to move forward” (p. 161).

Introducing Dialogic OD Successfully

Given their philosophical differences and differences in how they are managed, you might wonder if it is possible to blend more traditional forms of OD practice with a dialogic approach. Some authors believe it is.

Oswick (2009) proposes that perhaps dialogic and diagnostic OD might be combined in a single consulting engagement where “the outcomes offer a more provisional and plurivocal, rather than a finite and prescriptive, understanding of the processes being explored” (p. 372) in a joint and open diagnostic process. In addition, he writes, “it might also be possible to utilize them as discrete but consecutive phases within more ambitious, larger-scale OD programs” (p. 373). This might be done by initially widening the scope of possible actions a group could take through an open dialogic format, but then acknowledging differences and using more traditional diagnostic or problem-solving approaches to narrow down to a limited set of actions.

Gilpin-Jackson (2013) writes of diagnostic and dialogic OD as being on a continuum rather than a choice of two practices. She describes a blended diagnostic/dialogic OD engagement where the organization’s readiness for change was low but the complexity of the project was high. In this situation, diagnostic data were
gathered through a more traditional process to develop an initial set of tentative and temporary conclusions, but then the data were discussed in open facilitated sessions where multiple perspectives surfaced and multiple events were held for the group to decide collectively how to take action. Gilpin-Jackson writes that “the art of mastering the grey zone in between Diagnostic and Dialogic OD becomes how well a practitioner can move along the continuum as appropriate to the circumstance” (p. 62), using diagnostic OD where the reality was complex and not known by all parties, but a dialogic approach to enhance commitment to action. Part of this circumstance involves the willingness of organizational leaders to cede some direct control over the unpredictable outcomes of a dialogic effort, and that perhaps these approaches can be introduced gradually or in limited ways.

In addition, Bushe (2013) has articulated the conditions necessary for a successful dialogic OD intervention, which are listed in Table 12.3. These conditions stress the importance of the relationship between the change agent and sponsor who can develop the appropriate events and containers where conversations can take place.

### Transorganization or Interorganization Development

A special circumstance in organization development describes the application of OD concepts to situations in which multiple organizations join together in networks or collaborative relationships with a shared purpose (Cummings, 1984). They are referred to as transorganizational systems, or “meta-organizations” (Ahrne & Brunsson, 2008). Many observers have noted that these kinds of relationships are increasing in frequency, but that the field of organization development has been slow to understand the unique challenges involved in these relationships (Clarke, 2005; Cummings, 1984). Ahrne and Brunsson (2008) estimate that there are upwards of 200,000 meta-organizations in Europe alone.

**Table 12.3** Key Conditions for Successful Dialogic OD Interventions

<table>
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<th>Condition</th>
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<tr>
<td>A sponsor with the authority to commandeer necessary resources and support emergent change</td>
</tr>
<tr>
<td>An effective sponsor–change agent working relationship</td>
</tr>
<tr>
<td>Reframed problem/challenge into possibility centric, future focused issue that is personally meaningful to community members</td>
</tr>
<tr>
<td>Identification of the appropriate community for addressing the issue and a way to get them to come to the event(s)</td>
</tr>
<tr>
<td>Convenging events that build the relationships among community members so that readiness to engage in the change issue is heightened</td>
</tr>
<tr>
<td>Convenging events that create and/or utilize generative images to provoke new thinking and catalyze self-generated change proposals from the community</td>
</tr>
<tr>
<td>Slack resources are available to support emergent changes</td>
</tr>
<tr>
<td>Processes for sponsors to “track and fan” emergent changes</td>
</tr>
</tbody>
</table>

Multiple organizations may enter together into interorganizational relationships (also called transorganizational systems and collaborative networks) “to exchange or pool their resources, or they may decide to work together toward some common and mutually agreed upon end, or they may collaboratively produce a new product or service” (Alter & Hage, 1993, p. 2). Sometimes these multiple organization systems arise to address problems and challenges that none could solve independently, perhaps because each did not have the resources to solve the problem or because the organizations are interdependent and must cooperate to solve it (Chisholm, 2000). Examples of these multiple organization relationships include the following:

- Joint ventures for new products or services
- Consortia to develop industry standards
- Production networks
- Public-private partnerships, such as those in education or health care
- Co-ops or purchasing networks
- Trade agreements, associations, or unions
- Joint research and development consortia
- Lobbying associations of for-profit and not-for-profit organizations

Each of these types of transorganizational system (TS) differs in how it is organized. For example, in the development of a joint venture, two or three organizations may meet periodically to determine who will handle which responsibility and how they will work together to meet each organization’s objective. Perhaps one may do research and development while the other does manufacturing. In other situations, such as in a trade association or industry standards consortia, there may be yet another new organization formed with representatives from each of the participating organizations. (The United Nations would be such an example.) In still other situations, organizations may participate in name alone, or they may have only an economic relationship such as in a purchasing network.

For example, Chisholm (2008) describes a system that developed in Romania in the 1990s called the Collaborative Alliance for Romanian Orphans. Hundreds of organizations from around the world joined in a consortium to provide relief to an estimated 140,000 orphans left in state institutions. They shared the goals of providing emergency relief, improving the health care system, and in a short time trained hundreds of medical professionals and cared for tens of thousands of children. Shuman and Twombly (2010) suggest that these collaborative networks have the advantage of agility as each organization participating in the network brings capabilities that no single organization possesses.

Transorganizational systems develop in a three-step process of identification, convention, and organization (Cummings, 1984). Each of these stages presents distinct topics of concern:

1. **Identification.** The focus is on the reason for forming the TS as well as finding and inviting members who have a stake in the issue or concern to participate. Because different groups will see the problem differently, they may have different ideas about the problem’s scope and boundaries, so identifying relevant members and establishing the scope of the relationship can be difficult.
2. **Convention.** This second stage consists of soliciting input on each member’s perception of the problem, members’ objectives and motivations to join, and developing a commitment to taking action to address the issue.

3. **Organization.** Members explore and agree on the desired future they would like to see, including actions each would agree to take to reach that future. Some have used the search conference methodology described earlier to do so (Clarke, 2005; Trist, 1985). Participants develop working arrangements on topics such as communication preferences, norms of participation, decision making, leadership, and structure. For example, what decisions and actions can the TS take on behalf of its members without explicit permission?

From one perspective, problems in these relationships can be addressed with a number of the strategies described in Chapter 11 on single-group interventions, such as new team formation activities and team-building interventions. However, transorganizational systems also have special characteristics that make the application of traditional OD interventions particularly challenging and in many cases demand a different approach, for example:

1. **Hierarchy and structure** are different in transorganizational systems from that in typical organizations. In many cases, group members participate on equal footing with no hierarchical relationship between them, and no higher level “manager” to resolve disputes. Members must conduct their own activities in a self-regulating fashion (Chisholm, 2000). Some have suggested that transorganizational systems are “underorganized” (L. D. Brown, 1980; Cummings, 1984), meaning that participants are only loosely tied to one another, with vaguely defined purposes and few or no policies or formal procedures. In these situations, change strategies should “increase organization of the system” (L. D. Brown, 1980, p. 190) such as “increasing shared norms and values, and designing structures, roles, and technologies to create predictability and regularity” (Cummings, 1984, p. 399).

2. **Membership relationships** are unique compared with most organizations in which employees all have the same relationship (or similar relationships) to the organization. Membership in a transorganizational system can be voluntary, as in the case of a cooperative production network or international political body, in which case participation and engagement of all members is a primary concern. In these cases, it helps to know members’ motivations for participating and individual members’ goals and objectives. Different members may have different objectives and desires for the system, some of which may conflict. Participation can also be involuntary or mandated by regulation or law, where conflict may be more apparent (Cummings, 1984). In both cases, members of the transorganizational system also are members of their “home” organization, and often must report back to them or get official permission from them to act on the home organization’s behalf. Consequently, negotiations and agreements often involve several rounds of discussion. Change agents working with these systems can help to define decision processes so that members are clear about what levels of agreement are required.
3. **Trust and collaboration** are special concerns in transorganizational systems (Vangen & Huxham, 2003), and political issues are likely and can be highly charged. For example, competitors may decide to cooperatively join together and come to agreement on joint industry standards because the market demands it, but each has a separate interest in its own success. Members may suspect other members' motives and hidden agendas for their choices, contributions, or opinions. Lobbying, vote-trading, power struggles, and coalitions are likely results. Vangen and Huxham (2003) write that trust and collaboration can be developed in these systems through a gradual cyclical process of trust building, taking risks, managing power imbalances and dynamics, and achieving modest incremental successes as a foundation for further trust. They also note that it may not be possible to build a highly trusting relationship in these systems and that the system must learn how to manage with this situation.

Shuman and Twombly (2010) note that these network relationships are maintained through a leadership role they call the “network choreographer,” who organizes participants and develops and maintains network relationships. In a strategic alliance, for example, members who represent the various partnership organizations can be considered to hold the choreographer roles. The choreographer role acts as an entrepreneur and liaison between the parties to ensure that the members of the network continue to receive value from the relationship. Choreographers must also be (1) entrepreneurs, “to hold the vision and be comfortable with the ambiguity inherent in creating and growing something new” (pp. 7–8); (2) passionate advocates, who can persuade others of the vision of the collaboration; (3) coaches and mentors, “working with senior leadership to guide them in understanding the implications of some of their actions and decisions” (p. 8); and (4) indefatigable communicators who can “bridge silos that exist in traditional organizations and create links between organizations” (p. 8).

The growing presence of interorganizational designs (whether we call them transorganizational systems, networks, or some other term) will continue to offer an opportunity and a challenge for organization development practitioners to help choreographers and network members engage in productive and collaborative relationships.

**Summary**

In this chapter, we have discussed a number of organizationwide intervention techniques directed at changing the character and performance of whole systems. In this category of interventions, changes have been made in recent years to design interventions that involve a broad number and type of stakeholders, “getting the whole system in the room” to encourage increased participation and commitment to organizational change. This has been true whether the target is a single strategic planning session in one organization or a search conference involving thousands of citizens in multiple nations. Because of their subject matter and magnitude,
large-scale interventions can be among the most difficult to execute effectively. However, if success in the contemporary organizational environment means being successful at large-scale change, such interventions are likely to be the hallmark of any successful organization.

See Exercise 6 in the appendix to practice applying the concepts of organization design.

For Further Reading

Large-Group Interventions


Organizational Culture


Organization Design and Structure


Strategic Planning and Real-Time Strategic Change


Scenario Planning


Search Conferences and Future Search


Future Search: www.futuresearch.net


Quality and Productivity Interventions


Mergers and Acquisitions


Dialogic OD Interventions


Transorganization or Interorganization Development


Case Study 6: Reorganizing Human Resources at ASP Software

Read the ASP Software case and consider the following questions:

1. How does the client feel about how the change has been managed at this point? How do you think the management team or employees feel?
2. What has Susan done well in managing the change to this point? What could she have been done differently?
3. What intervention strategy and intervention activities would you recommend to Susan? How would you structure these activities? What roles would Susan, the management team, and the consultant play?

Nathan Miller’s phone buzzed on his desk in his home office.

“Hi, Nathan? This is Susan McNulty, from ASP Software, I’m the vice president of human resources here. I got your name from Joan Orman at Kendall Consulting.”

Nathan smiled. Joan had been a talented coworker during his time at Kendall several years ago. He had since received many referrals from her for his growing organization development practice. “Of course—what can I do for you?” Nathan inquired. ASP was a familiar company to Nathan. It was a large employer in the area, a high-tech organization in a community without many technology companies. ASP built software products for Fortune 500 companies, employing about 750 software engineers in product development and 500 sales executives. Including the other support functions needed to make the company run (marketing, HR, finance, and so on), it employed almost 1,500 people in the region.

“Well, we’re reorganizing our human resources department here at ASP, and I was asking Joan whether she knew of anyone who might be able to help us with a team-building exercise, and your name came up. Do you think you might be able to do that for us?”

“Well,” Nathan paused. “I might be able to help you with some ideas—team building could be a possibility, or there are other initiatives we could work on as well. Can you tell me a little about what you’re trying to do there at ASP? Perhaps give me some of the context?”

“Sure,” Susan said. “We’re changing our model from a functional model to a full client management services model. Of course, that model requires a lot of teamwork, and we’ve also had a small reduction in staff, so . . . .” She paused for emphasis.

Nathan listened. He wasn’t sure what a “full client management services model” meant, but it was clearly important to Susan.

Susan continued. “So, with this new focus on teams, it seemed important to our change team that we conduct a team-building activity. I was hoping that maybe we could meet in person and I could describe our model and we could talk about how you might be able to help us? Say, Tuesday at 2:30?”
“That sounds fine. I know right where your headquarters are located. Should I stop in the lobby and ask for you?” Nathan asked.
“That’s fine. I’ll see you then.”

***

“I’m so glad you could make it. It’s nice to meet you in person.” Susan welcomed Nathan to ASP Software headquarters, a four-story building located just outside downtown. The building was a standard glass-and-steel box, with a shiny chrome ASP logo featured prominently in the marble-floored lobby. The lobby was a busy place as employees and visitors were constantly coming and going. Nathan wore a visitor’s badge and had been waiting in the lobby until Susan came down to greet him.

On the fourth floor, Susan and Nathan sat down in a conference room at a large mahogany table surrounded by 12 leather chairs. On the wall he noticed a cherry wood–framed print of mountain climbers. At the bottom read “Teamwork: Giving a helping hand makes all the difference.” Another showed a kayaker paddling down a river, with the text “Goals: Effort is nothing without a vision.” Also in the room were a video-conferencing unit and a recessed screen that appeared via remote control. Track lighting provided spotlights on the framed prints.

“Thanks for inviting me. It sounds like you have an interesting and challenging change underway,” Nathan said.

“Oh, yes, I think so. I’m really pleased that the management team has adopted this new structure. I think it will improve our productivity and reputation as an HR team,” Susan said.

“So you said that you’re changing models? Can you tell me what that means?” Nathan inquired.

“Sure.” She handed Nathan an organizational chart.
“This chart shows how we are currently organized, by HR function. I have five managers on my team, and each has a separate function. Paula is in charge of our recruiting function, and she supervises all of our talent acquisition work. She has five recruiters working for her. Her recruiters work with managers to open jobs; they search for candidates, conduct preliminary interviews, and process job offers. Linda has compensation, benefits, and rewards. That includes stock grants, executive compensation, and job leveling, plus any other compensation studies that our executive team requests. Linda currently has two compensation specialists reporting to her. Steven has eight employee relations specialists—they do most of the day-to-day work with the management teams they support, to help them conduct performance reviews and to deal with employee complaints and problems. Matthew is our organization development and change management expert, and he has four OD consultants working for him. They work on various projects, but they generally advise the management teams they work with, facilitate meetings, and develop and conduct training. Finally, Tom has our EEOC responsibilities, including legal reporting and compliance, but also investigations of complaints such as harassment or mistreatment of employees. He has three investigation specialists who do data analysis and reporting.”

“That sounds like a common organizational structure for a human resources department, in my experience,” Nathan said. “What prompted a change?”

“Well,” Susan started, “our internal client managers—the internal ‘customers’ of our department—haven’t been very happy with the service they’ve been receiving from the HR department. One of the company’s biggest challenges is recruiting—we have about 200 new positions a year to recruit. Combining those jobs with positions that we need to fill as a result of turnover means that each of our recruiters is handling two dozen positions at any given time. That has led to some frustration from the ASP management team. A manager will need to hire someone, and he’ll have to call one person in Paula’s organization to get the position opened, then deal with a person on Linda’s team to figure out what the compensation level should be, and neither of those people is the person that the manager typically works with on employee relations issues from Steven’s team. That can cause some problems on its own, but what really has frustrated them is that the next time he has to hire someone, he’ll have to call Paula again, and might be assigned a different recruiter. It’s a trend that we see in many companies today—our managers are looking for one person to call to handle all of their HR services. And we really need to open positions, interview candidates, and get job offers out much more quickly than we are today. It’s a tight market out there for the best people.”

Susan continued. “At the same time, most of the management team really isn’t involved with the strategic aspects of the business, designing HR programs that make the most sense with where the business is going. In the software industry, we must move very quickly, and we’re constantly looking for new talent and examining different ways to compensate them to maximize loyalty, retention, and productivity. I’ve been involved with our corporate strategic direction, but the rest of the HR team has been oriented toward the day-to-day activities instead of the bigger picture, so they’re not adding as much value as they could.”
“That sounds like a common complaint,” Nathan said. “What kinds of changes are you going to make?”

“Here’s the new organizational chart.” Susan handed Nathan another sheet. “In this new model, we’ve organized teams to serve the various internal departments that run the ASP software business—we call them our internal ‘customers.’ So, for example, Paula will now support only the sales and marketing team, and she will be supported by a team that will consist of four team members, called ‘generalists,’ who will all support various assigned members of the management team in sales and marketing. The advantage is that Paula will now be the central point of contact for our VP of sales and marketing, and she will be much more involved in developing and understanding sales and marketing strategy, so that our human resources strategies—compensation, hiring, change management—will all be aligned with the sales strategy. Linda will do the same thing with software engineering. Matthew will support our distribution function. In this way, we’ll be much more client-focused, and we will be much more strategic and responsive to the business. Once a new employee is hired, that person will work with one HR generalist throughout his or her career at ASP, in career planning, compensation, etcetera. I also asked Tom to keep the EEOC function with two data analysts since that was his expertise and it didn’t make sense to combine with the other functions, but he’ll also take on a support role for all corporate functions, like finance and legal.”

"Has this been announced formally?" Nathan asked.

"Mostly. We had our first meeting last week. We told them that some changes were coming, and most people were aware of it generally but not the specifics. Today we had the second meeting where I published the chart with the names in the positions," Susan answered.

Nathan noticed that the new organizational chart contained fewer boxes. "You had mentioned a staffing reduction?" he asked.

"You’re paying attention," Susan said. "At the same time as we discussed this model, we determined that our expenses were about 10 percent more than we could afford,"
so we had to reduce our total headcount by four positions. Those will come from several areas, including two employee relations specialists, one EEOC data analyst, and one recruiter."

Nathan did the math quickly in his head. There was one position unaccounted for. "I only get 22 people when you used to have 27. Am I missing one position?" Nathan asked.

"Good observation." Susan smiled. "I haven't published it yet or announced it because I still need to formalize it, but I've asked Steven to take on the role of director of HR operations. The four members of the management team will all report directly to Steven, and he will be responsible for the day-to-day operations of the HR organization. My role will change slightly, since I've been asked by our CEO, David Kaufman, to take on several additional responsibilities and to assist him with special customer calls. While I will have the same title, I won't have time to sort out the daily problems, so I've invited Steven to take on this new responsibility. It's a good development opportunity for him, and it saves me time. We have another meeting with the whole organization on Monday, and I'll share Steven's new role with them at that time."

"Do you have a sense for how people feel about this change generally? Both on the management team and among the support teams?" Nathan asked.

"On the management team I think there's a bit of relief, since they knew I was going to reduce it by one position and the four that are left are settling into their new roles. They know that they have jobs, although they don't know yet about Steven's promotion. Among the generalists I think there's a range of opinions. There is a lot of anxiety about the staffing reduction, and I'm not sure that people have gotten over that yet. The old teams were pretty tight, and I think that some people are looking forward to their new roles while others are wondering about their new team members or their new manager. Some of them, particularly the ones that used to be recruiters, are looking forward to expanded roles that will give them more access to their client managers. Others, such as the employee relations specialists, are not looking forward to the recruiting responsibility."

"Have the employee relations specialists ever done recruiting before?" Nathan inquired. "One or two used to do that in a previous company. But most of them haven't, so they will probably need some training initially. I'm willing to let them have that time to adjust and learn," Susan said.

"Anything else? Who else might be especially happy or unhappy with this change?" Nathan probed.

"Among the employee relations specialists, Steven was a very popular manager. Matthew has had a couple of run-ins with one of the ER specialists we have assigned to his group—that relationship has been contentious in the past, but it was the only spot to put that one individual, so we had to deal with it. I think Matthew will be very professional about it," Susan added.

"Tell me about the relationship that Steven has had with his peers," Nathan inquired. "Steven has been very popular as a team member and as a leader in his own group, there's no question. I don't think there are any issues there." Susan shook her head. "But it will be a slight change to those who don't know him well, like the recruiters or the compensation specialists. It might be hard for his former team members to relate to him in a different way. But Steven is popular and he projects a very pleasant charisma, so I know he'll quickly take over the leadership position."
“What measures of success are you looking for?” Nathan asked.

“We’ve always measured the effectiveness of our recruiters in a couple of ways: number of qualified candidates presented to management and cycle time of open position to acceptance of offer. We’ll continue to measure our generalists in that way, which I think makes some of them a bit anxious since they’re not used to recruiting. Right now it takes us about 77 days to open a position, find candidates, interview them, and get a job offer out. I’m looking for our generalists to move twice as quickly as that. That means each generalist will have a quota of jobs to fill and will be measured on time to fill those positions. But generally I’m looking for more satisfied internal clients and fewer complaints. We should also be able to do more with less since each person will have direct responsibility for their internal clients—they won’t need to go from team to team to get the job done."

“How about for my work—are there any specific outcomes you’re looking for?” Nathan wondered.

“Not exactly. I’m looking for your guidance about how to proceed. What we need to do is to get beyond this change as quickly as possible so that we’re starting to show real results to our internal client managers. I think people are still pretty upset about losing some of their coworkers, and the rumors have been running rampant for the past several weeks. We stopped some of that with the meetings last week and this week, by sharing our plans and showing them the organizational chart. But we’ve lost a lot of time in getting to this point and now we need to move quickly to get people into their new teams and to start recruiting immediately,” Susan stressed.

“You had mentioned initially that you were looking for a team-building activity?” Nathan asked, remembering their phone conversation.

“Yes. With these new teams, only a few of them have worked together closely before. This will require a new kind of coordination among the team members—instead of doing their own thing and managing their own projects, they’ll be part of a team to support each business function. They’ll still have their own responsibilities, but they will need to share information, determine a strategy and direction, and take on new and unfamiliar responsibilities. I’m thinking that some kind of team-building activity would be really helpful to them—they could get to know each other better, perhaps in a social setting. The other thing I was thinking since we talked on the phone is doing a personality test like the Myers-Briggs or another assessment so that people could examine each other’s working style? I just don’t know where to start.”

The conversation began to die down, and Susan posed the final question.

“So after all of that, do you think you can help us?” Susan inquired.

“I think there are a couple of things that come to mind that could help make this transition smoother,” Nathan said. “Why don’t I put together a proposal for how I think things could proceed, and we can take it from there?”

“I would really appreciate that. You come highly recommended and I appreciate your insights and guidance,” Susan said. “I look forward to reading your proposal.”

Case Study 7: The Future of the Crossroads Center

Read the Crossroads Center case and answer the following questions:

- How would you summarize the current situation at the Crossroads Center?
- What is the client looking to accomplish? What challenges exist for the client in accomplishing his objectives?
- How would you design a future search conference, strategic planning session, or scenario planning engagement for the client? Choose one of these and develop an agenda to present to the client, describing the purpose, goals, objectives, and structure for the session based on the descriptions presented in Chapter 12 and in the supplemental readings suggested at the end of the chapter.

The Crossroads Center was founded 16 years ago as a nonprofit drug and alcohol treatment center for adults and adolescents. The center is located in a quiet rural area about an hour from a major urban center. It consists of six separate cream-colored buildings that encircle a large park, walking paths, and a duck pond. Except for a small, almost hidden sign on the main building, most community members cannot distinguish the center from any other set of office buildings or detached apartment units located in the sleepy town.

The center has two segments that operate differently depending on the patient's age. The first is an adult treatment facility, where treatment primarily consists of support provided by psychologists and licensed therapists. Adults who enroll at the center usually find out about it through their health insurance provider, which pays 100 percent of the center's fees for up to 30 days of inpatient treatment and 30 outpatient visits. The center's staff can support up to 120 adults at any given time.

The second part of the center is an adolescent residential treatment facility, where patients live together in the facility and are supported by a network of clinical psychologists, physicians, nurses, addiction counselors, and therapists. The center also provides staff teachers who give educational assistance while the patients live at the center, which can last for up to 8 weeks depending on a patient's needs. The residential center is much more expensive to operate, given the additional staff and housing needs, so there are typically just 30 to 40 patients living at the center at any point in time. The funding sources for the adolescent treatment facility include insurance as well, but also grants and foundations as well as federal and state programs.

Darrin Spoldi was appointed director of the center almost 3 years ago. During his short tenure, the center received three new grants from national foundations and increased by one third the number of patients that the center has reached. Darrin called Lisa Rodriguez last week with an urgent request. The center was at risk due to a new law, and he needed some advice to avoid the worst-case scenario.
“I’m really glad that you’re here,” Darrin said, as he and Lisa walked along the side-walk path outside the center. “We’re in a desperate situation, and if we don’t do something soon, we may not be able to keep the center open.”

“You sounded very concerned when we spoke last week,” Lisa admitted. “But I had thought when we spoke a few months ago that things were going so well.”

“Exactly,” Darrin said quietly, looking down at the weeds on the edge of the sidewalk. “I had just gotten a major grant and our funding seemed more solid than at any point during my time here. Ironic, as it turns out. Things were sailing smoothly until just recently. In fact, just a few weeks ago we concluded our yearlong study on adolescent recidivism since we hired the additional therapist staff.”

“Recidivism? What’s that?” Lisa asked.

“It’s our return rate. We follow up with our patients after they leave the center to see how they are doing and whether they are able to maintain the skills they learn during their time here or whether they need to return to a center for additional treatment. We found out that our patients have the lowest rates of return to drug and alcohol abuse among centers like ours in this region. In fact, the rate has improved by about 15 percent over a few years ago.”

“To what do you attribute this result?” Lisa wondered.

“There’s no question. It’s both our teachers and our therapists,” Darrin said confidently. “Patient after patient in the study we did reported that they had incredible support from the therapists, and having the teachers here on staff kept them focused on their studies, so that when they returned to school they had little difficulty assimilating. About a year and a half ago we added three new therapists to the staff, and the change was incredible. I know how good our work is here. I’ve worked in treatment facilities like this throughout my career, and this is the most successful model I’ve seen.”

“Tell me about what’s causing your concern for the center,” Lisa asked.

“Don’t misunderstand. I might sound calm now, but I suppose I’m just numb from thinking about this. It’s not just a ‘concern.’ This is the biggest crisis I’ve faced in my career,” Darrin said. “You might have heard about the changes that the state legislature just made to the social services budget for this fiscal year. Well, the budget for social services includes a set of regulations requiring that treatment facilities that receive state funding have a certain percentage of their staff hold medical degrees from an accredited medical school. I guess the regulations were intended to address the large number of facilities that are run primarily by lower skilled technicians, with few medical professionals actually administering services. Last year’s controversy regarding abuse in nursing home facilities prompted a number of community groups to call for additional regulations. The result, though, is that even facilities like ours face the same criteria. In any case, the law was just recently signed by the governor, and facilities have just 6 months to comply with the law or forfeit all state funding, retroactive to the signing date of the legislation.”

“What does that mean for Crossroads?” Lisa asked.

“In other words, the center will continue to receive state funding for the next 6 months, but if we cannot comply with the law in that time period, we need to return 6 months’ worth of funding to the state,” Darrin said.
“What would it take to comply?”

“Currently, the center’s staff of teachers and therapists put the staff below the required threshold to receive funding. Most of them have advanced academic degrees, but they are not medical practitioners according to the legal definition. We would have no problem if we just let our teachers and therapists go,” Darrin said. “But they are critical members of our staff, and as I said, our patients give them a great deal of credit for their treatment. I just don’t think that is an acceptable solution. Another possibility would be to refuse the state funding, but then trying to operate with our remaining funds would be impossible. With money coming just from the federal government and from our grants, we would not only have to have a layoff of staff, we’d have to reduce the number of patients we serve by about two thirds, and we would turn away a lot of people who need our help. I’ve done a lot of thinking about this in the last several weeks, and I haven’t been able to come up with a solution that is acceptable to anyone.”

“Does the community understand what’s happening to the center and what might happen if it closed?”

“We have purposely maintained a low profile in the community for the last several years. Before I arrived, it’s my understanding that there was a call among the county supervisors for the center to close or move, and we did not have a lot of support. I don’t know what all of the issues are, but there is some animosity among the board of directors toward the county board of supervisors. Nothing came of it, obviously, and the board of directors recommended that I not spend a lot of time in the community for a while until things settled down. I’m not sure how many community leaders even know how we’ve contributed to the community by treating our own local adults and adolescents,” Darrin concluded.

“What have you done so far?” Lisa asked.

“A few weeks ago we had a small meeting of the top administrators, about eight of us. We just talked in circles, bouncing back and forth between trying to figure out how to continue to operate without state funding or trying to meet the state’s requirements and maintain our current funding. We didn’t come to any conclusions, but we agreed to meet again this week. I do have to say, though, that the staff has been great about this. Morale is high, and our administrators are highly involved and motivated to find a solution. I’ve worked with other groups that would have given up or quit, but this group is participative, engaged, and smart. They’re keeping each other going,” Darrin said.

“Let me summarize. A highly successful local center is going to close because of a state law that holds unintended consequences, and the closure will affect a large number of patients, staff, and community members. It seems to me that there are a lot of groups who have a stake in this center being successful and continuing to operate. There are the patients and staff, obviously, but also the patients’ families, the grants and foundations that contribute to your success, the community, even the state legislature,” Lisa concluded.

“You’ve got it,” Darrin said quietly.

Lisa continued, “You have a lot on your shoulders here. I can see that it’s affecting you a great deal personally. What do you think of bringing together a larger group to
help you decide what to do? We could keep it to your staff, or we could invite members
of these other groups."

“It sounds like a good idea,” Darrin agreed. “And at this point I’m at a loss about
what to do next, so I’ll take any suggestions. Tell me more. Who would we invite? How
long would it take, and how would it be structured?”

“Let me think more about that. I can get you a proposal quickly and we can get
started as soon as possible,” Lisa said.

“For the first time in a few weeks, I’m starting to feel hope,” Darrin smiled. “I’m
looking forward to your proposal.”