WHOLE ORGANIZATION AND MULTIPLE ORGANIZATION INTERVENTIONS

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)

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

In this chapter and the next, 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, 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. These chapters describe 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. Specifically, this chapter will discuss:

- Strategic change interventions

- Quality and productivity interventions: Reengineering, Total Quality Management, and Six Sigma

- Interventions in mergers and acquisitions

- Transorganization or interorganization development

- Dialogic OD interventions

- Appreciative Inquiry

We will begin with strategic change interventions designed to focus an organization on a desired future. In the next two intervention types, we will discuss subjects that might be seen as less germane or central to the role of the OD practitioner but that are opportunities for OD practitioners to contribute. Next, we will examine a special kind of whole organization intervention where multiple organizations are involved. Finally, we will expand on our discussion of dialogic OD that we first introduced in Chapter 5 with dialogic interventions and appreciative inquiry. Here we will examine what a dialogic OD intervention looks like, the conditions necessary for a dialogic OD program to be successful, and how the role of the practitioner is shifted in these types of engagements. While dialogic OD interventions are not exclusively whole organization interventions, we will review them here now that you are familiar with the dialogic OD mindset and approach as well as interventions at the individual, team, and whole organization levels.

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 stand-alone 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 organization 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, 2006a).

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. Thus, whole organization interventions can be quite large and complex.

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. Notice how in the organization design example that opens this chapter, the 3-year design effort included multiple meetings and workshops throughout the intervention.

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.

STRATEGIC CHANGE 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 the organization 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. 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 in which 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):

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 through-out 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 over-come 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 decade. 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, p. 17). 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 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 have 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:

   o *Decision-making power.* The scenario provides enough detail that decisions can be made based on the scenario coming true.

   o *Plausibility.* The scenario must be realistic and believable.

   o *Alternatives.* The scenario should imply options and choices, each of which could be a likely future state.

   o *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.

   o *Differentiation.* Scenarios must be different enough from one another that they describe genuinely alternative situations (ideally they would be diametrically opposed).

   o *Memorability.* Scenarios should be limited in number, and each should provide dramatic narrative for ease of recall.

   o *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 2.5- 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 important, 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 amount of 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 amount of 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.

PROFILES IN ORGANIZATION DEVELOPMENT

Sandra Janoff, Ph.D.

Director, Future Search Network

Sandra Janoff, Ph.D., psychologist and consultant, co-developed the principle-based methodology called *Future Search*, a process used worldwide to get the "whole system" focusing on the future, creating values-based action strategies, and securing commitment to implementation. She works with communities and organizations in Africa, Asia, Europe, India, North and South America, Australia, and New Zealand. Her focus is on creating conditions for people to tackle the complex social, technical, and economic issues they face. She has taught leadership, facilitation and Future Search principles to over 5,000 people.

Sandra is the director of the Future Search Network (FSN), a collaboration of members worldwide dedicated to providing Future Search meetings in communities for whatever they can afford. She won the Global Work Award and the Sharing the Wealth Award. Sandra is co-author of *Future Search: Getting the Whole System in the Room for Vision, Commitment and Action* (Weisbord & Janoff, 2010), *Don't Just Do Something, Stand There! Ten Principles for Leading Meetings that Matter* (Weisbord & Janoff, 2007), and *Lead More, Control Less: 8 Advanced Leadership Skills that Overturn Convention* (Weisbord & Janoff, 2015). She was a staff member of the Tavistock Conference in the UK. Sandra received the Organizational Development Network's Lifetime Achievement Award.

1. What were some of your early experiences that influenced what eventually became Future Search? How did you get started?

I first encountered the impact of organizational structure as a teacher in an experimental high school for "hippie teenagers" who were dropping out of traditional schools. It was the early 1980s, and the school was my learning laboratory for systems change. When we on the staff found that students were having multiple schedule conflicts, we devised a way to involve them in building the schedule. Picture 200 students in a big room with a blank schedule template covering one wall. We put all the courses for the semester in a "hat" and held a lottery to create the order for slotting them into the schedule. As each course was selected, students who wanted that course met, along with the teacher, to negotiate days and times. It was a chaotic scene, but four hours later, the scheduling process was complete and everyone had a hand in it. I did not have the words then, but we were involving "everybody in improving whole systems."

I went to graduate school in psychology and immersed myself in individual, group, and systems theory. I resonated with development theory that said individuals and groups develop greater capacity to tackle complex problems when they integrate, rather than reject, differences. In group-dynamics terms, you see it when groups focus on their task rather than fragment and fight over differences. I would come to learn that groups were more likely to stay on task when the task was compelling, the right people were in the room, the leader was clear about boundaries, and the group could control and coordinate the work they were doing. These were all structural issues. From systems theory, I appreciated that everything is connected to everything else. Change on one level of the system impacts the other levels. Here was the conceptual connection between group structure

(Continued)

and individual behavior. Seeing the group as a system meant creating structures within which people could do their best work. "Change the conditions under which people interact, rather than try to change the people."

2. Why do you find it a compelling profession of research and/or practice? Why is OD relevant today?

Around the planet, people are putting enormous energy into warring over differences. Imagine if they discovered things they agree on and could work on together. In a Future Search for the Children of South Sudan, the moment that tribal chiefs stopped shouting at each other and turned their attention to the children was a heart-stopper. In Future Search, there is no shortage of heart-stopping moments. People often find themselves at a fork in the road. One path replays the fight. The other path is unknown territory. With deep respect for how difficult it is, I offer the choice. Walking into the unknown requires great courage. In Future Search, no one has to do it alone.

I have been lucky to work with a handful of leaders who get it, who realize that their great vision can't be implemented unless people are involved. Future Search is a way to get the whole system to create the shared vision with commitment to action. This really is a shift to be working in ways that are not comfortable because you are bringing in people who don't necessarily get in the room. Today there are a lot of people using Future Search principles in their work, thinking about the right people being in the room, making

sure that there is sufficient time for the task, not pretending to do something you call "transformative" in a day.

3. Can you give an example of a recent OD project (research or practice) that you completed?

I just did a meeting with 84 people from six companies in a federation that was very siloed. They spent three days together and came out with a shared common ground agenda under which they are all going to work. Transformation is really enabling a system to build capacity to do things they weren't able to do before. It's not training. It's not teaching. It's really creating conditions to discover something together. And that takes time and effort and willingness to walk into the unknown.

Today the intensity is off the scale. Economic and social and technical problems are the same but speeded up in a way that is breathtaking. People are working at a pace with an enormity of issues flying around that there weren't there six months ago.

I am honored by the trust that clients place in me when they sincerely say, "I know you have worked with tough groups on tough issues, but my people and issue are different." Then they put their faith in me and the work and we go forward. They are unconventional thinkers who want to make their world and the wider world a better place. How lucky am I? Very. As the chaos of the world overwhelms me, I have a meeting to go to where we can make a difference. This is changing the world, one meeting at a time, by doing exactly what I can do.

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 problems 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*), 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 (Moosbruker & 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; Moosbruker & 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 (6σ) 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 4σ (99 percent accuracy), the post office would misplace about 20,000 pieces of mail per hour. At 6σ, 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, Pouder, & 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, Tracy, and Simpson (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.

- *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

Table 12.1 Common Problems in Integration at Four Levels

Individual Integration	Team Integration	Cross-Team/ Department Integration	Organizationwide Integration
• Employees spend too much time finding information and getting set up. • Employees lack motivation and engagement, translating to increased turnover, absenteeism, and low productivity. • Employees desire to return to "old" ways or fail to adapt to new processes, tools, and systems.	• Acquired employees lack understanding of team goals, purpose, and processes. • Employees do not understand or accept new roles. • The team charter is unclear. • There are long decision-making cycles as well as unproductive meetings and communication patterns.	• Newly formed teams work at cross purposes, missing handoffs or duplicating work. • There is confusion about which team handles which tasks. • Employees are unclear about the strategy, and there is little buy-in to the strategy.	• There is gridlock, failure to make changes over time, and an inability to realize competitive opportunities. • Two companies still remain.

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 13.1 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[1]

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.

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 in 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), which 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 who 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 onto 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 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?" "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.

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.

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

Table 12.2 OD Interventions That Address Common Integration Problems

	Individual Integration	Team Integration	Cross-Team/ Department Integration	Organization Integration
Goal	Support employees through acquisition stress and foundational needs, and develop employee engagement	Form productive teams	Develop cooperative interactions between leaders and teams	Remove gridlock and promote future potential
Interventions	• Onboarding sessions • New employee orientation • New manager orientation • Two-way communication sessions	• Team start-up meetings • Manager development to foster team transitions	• Intergroup/ interteam interventions • Strategic planning and goal setting to jointly develop superordinate goals • Leadership development to promote cross-functional networks and shared values	• Organization design • Large-group interventions

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 and 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 those 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 it or get official permission from it 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 cooperatively to 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.

DIALOGIC OD CONSULTATION AND 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. In many ways, a dialogic OD process suggests different ways of engaging with clients throughout the OD engagement, including contracting. 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 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. 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. (Recall that in Chapter 5 we termed this approach "dialogic process consultation.")

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.

Dialogic OD practitioners create "containers" where this kind of thinking and dialogue can take place. 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). More than just the physical room where the meeting takes

place, the container in a dialogic OD intervention must be designed to encourage creative thinking and engaged participation. 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 Practices

We have already reviewed examples of dialogic OD interventions in this book: future search, search conferences, real-time strategic change, and Workout, described in the previous chapter. In addition, World Café and Open Space Technology are two frequently cited examples of dialogic OD practices. 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.

Four Principles of Open Space

1. Whoever comes is the right people.

2. Whatever happens is the only thing that could have.

3. Whenever it starts is the right time.

4. When it's over, it's over.

One Law

The Law of Two Feet

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

To introduce dialogic OD successfully means reexamining many of the traditional OD "truths" we have covered in this book. In addition to new methods of conducting interventions, dialogic OD prompts practitioners to rethink traditional practices of entry and contracting. They will need to consider whether and how to blend diagnostic OD practices with dialogic OD practices, and to be mindful of the conditions that will make such an engagement a success. Practitioners also require different skills than we have reviewed in traditional OD practices.

Entry and Contracting: Clarifying
The Sponsor Role and Dialogic Mind-Set

Recall that in Chapter 5 we described the expert, doctor–patient, and mechanic models of consulting, which we contrasted with the OD model of consulting where practitioners and clients jointly engage in a process of diagnosis, problem solving, interventions, and sustaining change. These alternative preconceived notions about OD often exist because clients, under pressure to implement rapid changes and solve problems that have never been seen before, turn to an outside source with an expectation that they can delegate the problem or be told by an expert what to do. As Averbuch (2015) argues, this is exactly when a dialogic OD engagement would be appropriate—when multiple people can be engaged in finding innovative solutions and help to implement those solutions in a collaborative way. Yet it may also be a time when leaders feel added pressure and are reluctant to cede control to a large group of diverse stakeholders and an unpredictable outcome.

Leaders or sponsors of a dialogic engagement must be willing to share some leadership with a broader community, to see what emerges, and to do so in an authentic and transparent way. The leader's ideas may be questioned, or participants may not find the sponsor's ideas compelling. During the contracting process, practitioners must be clear with sponsors about what the sponsor role entails, as it may feel risky or put the sponsor in a vulnerable position. Thus, as Averbuch

(2015) describes, the contract in a dialogic OD engagement must be clear about the intentions and shared goals of the effort. Sponsor and practitioner must be willing to buy into (1) "a basic attitude of not knowing"; (2) "engaging diverse players in dialogic, nonhierarchical conversations, not top-down communication and one line of command"; (3) "ensuring that both the results and the process are emergent and cocreated"; and (4) "focusing on the future" (p. 237). Specifying these values explicitly clarifies the underlying mind-set of dialogic OD for the sponsor. Failing to do so might mean that

> we run the risk that when the process reaches a point of collective empowerment that the sponsor cannot tolerate any more, the sponsor takes back control and starts giving orders. People will feel deceived and betrayed and the process may make things worse than if no OD project had been started. (Averbuch, 2015, p. 229)

Clear contracting for the dialogic OD approach and mind-set can help to prevent that from happening.

Blending Traditional and Dialogic OD

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 give up some direct control over the unpredictable outcomes of a dialogic effort, and that perhaps these approaches can be introduced gradually or in limited ways.

Conditions for Successful Dialogic OD Interventions

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

Table 12.3   Key Conditions for Successful Dialogic OD Interventions

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

Source: Bushe, G. R. (2013). Dialogic OD: A Theory of Practice. *OD Practitioner, 45*(1), 11–17. Reprinted with permission.

the importance of the relationship between the change agent and sponsor who can develop the appropriate events and containers where conversations can take place.

Skills Needed for the Dialogic Practitioner

As we reviewed in Chapter 5, traditional skills required of OD practitioners include knowledge of different types of interventions, consulting skills, data collection and analysis, and organizational behavior. These skills are necessary if one thinks of change as in systems theory, from one relatively stable state to another. In that case, the job of the practitioner is to help guide the organization through that transition through interventions. In dialogic OD, with the change in mind-set to ongoing, continuous, adaptive change fueled by new ways of interacting, not only are the underlying mind-set and practices different, but the skills required to help are different as well. Storch (2015) explains that

> possessing skills for dialogue, such as creating rapport, asking open-ended questions, hypothesizing, listening, and imagining how the world might look from within others' lived circumstances, and therefore being able to engage with people in ways that produce the kind of conversations that elicit change, are important. (p. 201)

Following Pearce and Pearce (2000), Storch argues that dialogic OD practitioners also need to be comfortable with the following:

Strategic Process Design.   Designing one or a sequence of change processes to occur that form at least a coherent structure or narrative at the outset. Storch (2015) writes that the design of the change process often comes as a result of thinking through "what kind of conversations are needed in order to achieve the desired outcome and how these conversations might take place" (p. 202). As dialogic OD engagements often involve a design team and encourage broad-based participation from many people in the design stages, practitioners must

Event Design. Being able to create events that strike a balance between a structured approach and one that is emergent, flexible, and adapts to what happens during the event. "The skills to stay in the moment with others, to engage their concerns and meaning making without providing answers or false certainty to assuage their anxiety about change, and to facilitate conversations that generate new possibilities are vital" (Storch, 2015, p. 204). Knowing the basic approach of a World Café or future search is important, but practitioners must be skilled to know when to deviate from the typical approach to make it fit the present needs of the event.

Dialogic Facilitation Skills. Intervening in the ongoing sequence of events, as in dialogic process consultation, with outward and inward skills. Examples of outward skills are the ability to reframe statements back to participants so that the conversation continues in a productive fashion, or to ask questions that prompt a new way of thinking about the situation or topic under discussion. Inward skills refer to the ability of the practitioner to be conscious of his or her own feelings, thoughts, reactions, and desires. Some suggest that dialogic OD practitioners can benefit from professional theater training to hone skills in listening, improvisation, and nonlinear thinking that can result in enhanced creativity and being fully present in the moment (Stager Jacques, 2012).

These skills are particularly important when we believe that organizational change must be co-constructed in an environment where multiple meanings exist. Dialogic OD practitioners must be able to listen intently (to organizational members as well as one's own inner voice), respond authentically, and react to what emerges in a process that Storch (2015) calls "spontaneous responsive engagement" (p. 207).

To this list of skills, Bushe and Marshak (2015a) add that practitioners must be knowledgeable about social construction theory and other interpretivist social science theories such as complexity theory. They note that dialogic OD practitioners face ethical considerations of being aware of their own contributions to the dialogue in the client organization, that they are a part of the system and not separate from it, and that there is an ethical imperative on practitioners to develop their own self-awareness to be able to engage authentically.

Further Areas for Development of Dialogic OD

While a great deal of research and writing has developed the ideas of dialogic OD in the past decade, this is an area that is likely to grow in both theory and practice. There are a variety of dialogic OD approaches now in use, but we do not yet know when each approach is most useful for what kinds of situations. Theorists have explored an initial set of practitioner skills required to perform dialogic OD as described above, but it is not yet clear what additional skills may be required to successfully conduct dialogic OD engagements or how practitioners might gain those skills. We are only beginning to understand when and how dialogic OD practices and other traditional forms of OD might be combined or adapted together. There is also an opportunity to continue to explore the conditions necessary to make dialogic OD successful, and when it might be ill advised.

Positive Organizational
Scholarship and Appreciative Inquiry

Most discussions of organizational effectiveness, including written works such as this one, contain an implicit medical model of organizational health (notice that we still refer to a "diagnosis" stage, as described in Chapter 8). Problems are seen as deficiencies, illnesses, and cancers to be rooted out and eliminated. Our language is full of descriptions of issues, gaps, barriers, obstacles, snags, crises, errors, conflicts, and mistakes. Team meetings that direct attention to "what's going wrong here" create negative environments where people focus on harmful and destructive actions and relationships, and these conversations often create a cycle of depression, pessimism, and low energy. Organizational members can come to see the problems as insurmountable and hopeless. As members of a team continually examine what is wrong, this habit even seems to carry over to the implementation of any possible solution, as team members may point out weaknesses and faults with even the most promising changes. Energy wanes and morale suffers. It is no wonder that there are few people to sign up for yet another problem-solving meeting.

Contrast this with a meeting that directs our attention to what is working well, what strengths our team and organization hold, relationships that are flourishing, times when we have felt gratitude toward a teammate, times when we have been resilient or when we have achieved extraordinary performance. As the conversation develops and ideas are broadened and expanded, an "upward spiral" (Fredrickson, 2003) builds and positive emotions such as joy and pride are expressed. Which meeting would you rather attend?

The field of positive organizational scholarship (POS), a branch of the field of positive psychology founded by Martin Seligman, suggests new approaches to organization development by examining positive phenomena and their outcomes (Cameron, 2005). Instead of focusing on what is wrong with the system or its pathologies, the positive and affirmative health of the system is examined. Positive organizational scholarship "advocates the position that the desire to improve the human condition is universal and that the capacity to do so is latent in most systems" (Cameron, Dutton, & Quinn, 2003, p. 10). POS investigates phenomena such as resilience, meaningfulness, gratitude, and positive relationships and the influences of those phenomena on organizational effectiveness. This is not to deny that negativity exists, but the field emphasizes the positive as an alternative to the more commonly investigated phenomena of errors, dissatisfaction, low morale, and so on.

Positive in this context has three components (Cameron, 2005, p. 317):

1. An affirmative bias (away from negative phenomena). We focus on "strengths, capabilities and possibilities rather than threats, problems and weaknesses" (Lewis, 2011, p. 17).

2. An emphasis on goodness, or the best of the human condition. We seek to elicit "virtuous actions" where organizational members may assist others without any expectation of self-benefit, setting aside blame, offering forgiveness for mistakes, and being open with information.

3. Positive deviance, or extraordinarily successful outcomes. By positive deviance, we mean examining conditions and moving to a state where the organization or team is not just satisfactory, effective, or efficient, but instead striving to flourish, find excellence, and create extraordinary results.

An organization that develops these three areas creates an "abundance culture" (Lewis, 2011, p. 24) that improves social capital, develops positive emotions, and builds strengths, all of which create high-quality relationships and a resilient culture that can improve organizational performance. Several studies attest to these outcomes.

Cameron, Mora, Leutscher, and Calarco (2011) report on two studies in a financial services company and a health care organization where they investigated the relationship between positive phenomena and organizational outcomes. The survey they administered assessed the degree to which participants felt dignity and respect, caring, support, inspiration, forgiveness, and meaning at work, with survey items such as "We show appreciation for one another," "We genuinely care about each other," "We honor one another's talents," "We inspire each other," "We correct errors without placing blame," and "We see the larger purpose in our work." After analyzing the results of almost 2,000 surveys in the financial services company and comparing them to financial outcomes, the authors note that "positive practices appear to be important contributors to organizational effectiveness as measured by financial performance" (p. 277). In the health care environment, where some organizational departments implemented positive practices, "units that improved overall positive practices outperformed units that did not" (p. 282) on outcomes such as patient satisfaction and organizational climate. The authors conclude that positive practices at work improve organizational performance through three factors: (1) amplifying effects, whereby positive practices create positive emotions in an upward spiral, producing an environment where other organizational members also want to display positive practices; (2) buffering effects, whereby positive practices help organizational members remain resilient through difficult times, inoculating them against the negative effects of distress; and (3) heliotropic effects, whereby organizational members tend to be more attracted to positive social systems than negative ones.

Team and individual development has been the focus of a strengths-based approach investigated by the Gallup organization (Clifton & Harter, 2003). The StrengthsFinder approach (Buckingham & Clifton, 2001; Rath, 2007) advocates investigating attributes where an individual or team has a talent, in contrast to a weakness-based approach to development in which development programs generally push individuals and teams to shore up deficiencies. Development using a strengths-based approach recommends that the learner "focus maximum learning on talents, integrate activities of one's life around talents and manage around weaknesses (finding complementary partners, etc.)" (Clifton & Harter, 2003, p. 120). Clifton and Harter (2003) report a study of teams in an automobile manufacturing organization and a health care organization that were given access to strengths-based development. In both cases, the groups that emphasized strengths improved scores in employee engagement. In the automobile organization, the high-performing strengths-oriented group improved productivity by 50 percent more than a control group.

One method of intervening in teams and organizations consistent with this philosophy is called *appreciative inquiry* (Cooperrider & Whitney, 2005; Srivastva, Cooperrider, & Associates, 1990). Whereas ordinary problem-solving approaches follow a standard process of identifying problems, brainstorming possible causes and their negative effects, generating solutions, evaluating possible solutions, and implementing the ideal solution, the appreciative inquiry process begins with the team's strengths. By appreciating what is working well and where the team has

found success, positive energy is released, and the team begins to gain a better understanding of its own valuable contributions. These conversations are naturally more enjoyable, encouraging, and upbeat. Cooperrider and Whitney (2001) write that "the seeds of change—that is, the things people think and talk about, the things people discover and learn, and the things that inform dialogue and inspire images of the future—are implicit in the very first questions we ask" (p. 20). Consider the different reactions a team might give to "What's going wrong in this team?" and the following alternative set of appreciative inquiry questions:

- Describe a time in your organization that you consider a high-point experience, a time when you were most engaged and felt alive and vibrant.

- Without being modest, tell me what it is that you most value about yourself, your work, and your organization.

- What are the core factors that give life to your organization when it is at its best?

- Imagine your organization 10 years from now, when everything is just as you always wished it could be. What is different? How have you contributed to this dream organization? (Cooperrider & Whitney, 2005, p. 14)

The conversation that results from these questions creates an environment of openness, hope, and participation in creating a better team or organization. These questions also tend to free creative thinking and avoid allowing a group to get bogged down in the problems of the present.

Its creators see appreciative inquiry as philosophically in contrast with the traditional action research paradigm, where problems of the past are examined through disciplined data gathering and examination, and solutions are implemented and measured. It is based in the "power of the positive question" and the notion that "human systems grow and construct their future realities in the direction of what they most persistently, actively and collectively ask questions about" (Ludema, Cooperrider, & Barrett, 2001, p. 191). It is thus highly consistent with the social construction model of organizational change discussed in Chapter 4, harnessing the power of language and communication in creating organizations and teams as they unfold and are always in-process. For the change agent, appreciative inquiry requires a shift in mind-set to "view organizations as living spiritual-social systems—mysteries of creation to be nurtured and affirmed, not mechanistic or scientific operations with problems to be solved" (Cooperrider & Whitney, 2005, p. 46). We are well trained in rooting out problems and their solutions, but this new way of intervening also requires a new way of thinking, asking questions, and directing a team's energy.

The appreciative inquiry process consists of four steps or phases, called a "4-D cycle" (Cooperrider & Whitney, 2005):

1. *Discovery.* The discovery process consists of engaging the team and relevant stakeholders in a dialogue about strengths, best practices, accomplishments, and rewarding experiences. Topics are turned around from what is absent or not working to what the team would like to see happen more often and what is working well.

2. *Dream.* Participants look to the future to imagine how things could be, articulating and sharing their visions for the future.

3. *Design.* The team collaboratively constructs a vision for a new future and actions that move the team or organization to a desirable new point.

4. *Destiny.* Last, the discussion focuses less on action plans and spreadsheets and more on creating grassroots networks (including those beyond the team) of interested and committed parties who are empowered and who freely choose to take action on their own.

Several studies have attested to the positive outcomes that resulted from using an appreciative inquiry approach. In one review of the literature, Bushe and Kassam (2005) found that appreciative inquiry was most successful and transformative when it generated new knowledge, new ways of thinking about the organization, or new approaches to taking action. Barrett and Cooperrider (1990) present a compelling case study of change in a hotel management team where conflict and defensiveness were high. Problem-solving and conflict resolution efforts had stalled, and conflicts had become aggressively hostile and confrontational. Instead of focusing on the negativity of the past, the authors encouraged the group to begin to share their images for what might be different. They began to imagine a new hotel environment and to discuss changes to both the hotel and the team that would fit with their shared vision. Over time, personal conflicts waned as the group learned to resolve its ideational disagreements in favor of a shared future.

Some may find the appreciative inquiry approach naïve, wondering how a team or organization could succeed if it failed to honestly admit to and examine its problems. Appreciative inquiry does not deny that problems exist, but it tries to reframe them into new subjects for dialogue. For example, one group of consultants worked closely with a customer service department at a major airline. Instead of focusing their attention on the problem of mishandled, lost, or late baggage (a problem they all agreed plagued the airline), the consultants helped them turn the discussion to developing an "exceptional arrival experience" for customers (Whitney & Trosten-Bloom, 2003, p. 134). The discussion then turned to exploring all of the multiple aspects of that experience instead of becoming mired in the baggage concerns, which were just a part of the larger topic. Interest and energy remained high, because the topic was attractive, it encouraged thought and participation, and it inspired dialogue about a new future.

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. We have reviewed a number of intervention types where the OD practitioner has an opportunity to engage in large-scale change, whether it is a traditional quality program, a growing area such as OD in mergers and acquisitions, or the complex concerns of transorganization development. With a knowledge of the foundations and practices of organizational change,

organization development has much to offer the quality movement. OD practitioners who understand the challenges of postacquisition integration can intervene successfully at the individual, team, cross-team, and whole organization levels. The shift in perspective prompted by adopting a dialogic OD mindset encourages practitioners to engage in different practices of consulting and change broadly speaking, whether the changes are with individuals, teams, or whole organizations. This is an area that is likely to grow in both theory and practice.

QUESTIONS FOR DISCUSSION

1. Think back to the stages of transitions we learned about in Chapter 10. How do you think that model of transitions might apply in a merger or acquisition? What ideas might you have about how to help employees manage the transition to a new company successfully?

2. Think of an example of transorganization development with organizations familiar to you. How do you think some of the practices covered in this book (including contracting, data gathering, feedback, and the intervention types we have covered)

might apply or need to be modified in your example?

3. What would you add to the conditions for success in the use of dialogic OD practices? Are there some organizations, problems, or situations where you think these practices would be more successful? Less successful? Thinking about an organization you are familiar with, how receptive do you think it would be to dialogic OD practices? As a dialogic OD practitioner, what do you think would be the most challenging aspect of this kind of engagement?

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Case Study 8: 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 an engagement that uses dialogic OD practices to assist this client?

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 sidewalk 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 that 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."

NOTE

1. An extended version of this section originally appeared in Anderson, D. L. (2012). Organization development interventions and four targets of post-acquisition integration. *OD Practitioner*, *44*(3), 19–24.

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